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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
8TH DAY OF JULY 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 8th day of July 2003, at the place and date duly established for holding of such a meeting.

Acting President Ramon E. Romero called the meeting to order at 4:00 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, Vice-President
Mark Dunlop
Leroy King
Kathryn C. Palamountain
Darshan Singh
Benny Y. Yee

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And the following were absent:

Michelle W. Sexton, President

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Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. MATTERS OF UNFINISHED BUSINESS:

CONTINUED FROM THE COMMISSION MEETING OF JUNE 10, 2003

- 3 (a)** Resolution No. 94-2003, Authorizing a Lease Agreement with Young Community Developers, Inc., a California non-profit public benefit corporation, for Agency-owned property located at 5600 Third Street, for its job training activities; Bayview Hunters Point Redevelopment Survey Area

Presenters: Nicole Franklin (Agency staff)

At the request of Young Community Developers, staff recommended that the matter be tabled in order to continue lease negotiations.

Commissioner Dunlop asked for clarification on the proper procedure for tabling the matter and if the Commission had to vote to bring the matter back on the Agenda.

General Counsel James Morales stated that if the matter were tabled, the Commission would have to vote to bring it back on the Agenda. Mr. Morales suggested that it would be more appropriate to continue the matter indefinitely.

MOTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT ITEM 3 (a) RESOLUTION NO. 94-2003, AUTHORIZING A LEASE AGREEMENT WITH YOUNG COMMUNITY DEVELOPERS, INC., A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION, FOR AGENCY-OWNED PROPERTY LOCATED AT 5600 THIRD STREET, FOR ITS JOB TRAINING ACTIVITIES; BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, BE CONTINUED INDEFINITELY.

CONTINUED FROM THE COMMISSION MEETING OF JUNE 17, 2003

- 3 (b)** Resolution No. 95-2003, Authorizing a Letter Agreement with the Mayor's Office of Community Development for a period of three years in the amount of \$628,233 for FY 2003-04, \$647,080 for FY 2004-05 and \$666,493 for FY 2005-06, subject to appropriation of funds, for an aggregate amount not to exceed \$1,941,806 for administrative costs and business development contracts with South of Market Foundation AKA Urban Solutions (all Redevelopment Project and Survey Areas) and San Francisco Renaissance (all Redevelopment Project Areas and Bayview Hunters Point Survey Area)

Presenters: Leamon Abrams (Agency staff)

Speakers: Mary Helen Rogers, Maybelle Briosos, Angela Cain, Cletis Young, Roger Gordon, Vaneese Johnson, Al Norman, Angelo King

Commissioner Dunlop thanked all of the people who came to the meeting and worked with staff and put forth a motion to adopt item 3 (b).

Commissioner King seconded Commissioner Dunlop's motion and stated that he was pleased to see that staff did its homework and consulted with the community.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT ITEM 3 (b) RESOLUTION NO. 95-2003, AUTHORIZING A LETTER AGREEMENT WITH THE MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT FOR A PERIOD OF THREE YEARS IN THE AMOUNT OF \$628,233 FOR FY 2003-04, \$647,080 FOR FY 2004-05 AND \$666,493 FOR FY 2005-06, SUBJECT TO APPROPRIATION OF FUNDS, FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$1,941,806 FOR ADMINISTRATIVE COSTS AND BUSINESS DEVELOPMENT CONTRACTS WITH SOUTH OF MARKET FOUNDATION AKA URBAN SOLUTIONS (ALL REDEVELOPMENT PROJECT AND SURVEY AREAS) AND SAN FRANCISCO RENAISSANCE (ALL REDEVELOPMENT PROJECT AREAS AND BAYVIEW HUNTERS POINT SURVEY AREA), BE ADOPTED.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a) Approval of Minutes: Meeting of June 17, 2003
- 4 (b) Resolution No. 108-2003, Authorizing a Third Amendment to the Personal Services Contract with On Target Delivery Service, a sole proprietorship, to extend the contract term for four months and increase the total compensation by \$25,000 for an aggregate contract amount not to exceed \$270,000 for messenger and delivery services
- 4 (c) Resolution No. 109-2003, Authorizing an Amended and Restated First Amendment to the Ground Lease with Namiki Apartments limited partnership, a California limited partnership, to revise the distribution of surplus cash as required by the California Department of Housing and Community Development to confirm its rights as a lender for the Namiki Apartments, 1776 Sutter Street; Western Addition Redevelopment Project Area A-2, Agency's Housing Preservation Program, Citywide Tax Increment Housing Program

- 4 (d) Resolution No. 110-2003. Authorizing a Fifth Amendment to the Disposition and Development Agreement with Site X Development Associates, LLC, a California limited liability company, and Habitat for Humanity San Francisco, a California nonprofit public benefit corporation, to extend the schedule of performance for ninety days; Hunters Point Redevelopment Project Area
- 4 (e) Resolution No. 111-2003, Amending the schematic design for Block N1 to adjust the distribution of owner inclusionary units, pursuant to an Owner Participation Agreement with Catellus Development Corporation, a Delaware Corporation; Mission Bay North Redevelopment Project Area
- 4 (f) Resolution No. 112-2003, Authorizing a Second Amendment to the Property Management and Leasing Agreement with John Stewart Company, a California corporation, to manage the Plaza Hotel, 988-992 Howard Street, in an amount not to exceed \$274,700 for services between January 23, 2003 through January 23, 2004, payable from previously authorized funds, in a total aggregate amount of \$900,000, with an option to extend for a 6-month period subject to appropriation of funds; South of Market Earthquake Recovery Redevelopment Project Area

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT AND MR. DUNLOP ABSTAINING FROM VOTING ON ITEM 4 (a)) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF JUNE 17, 2003, 4 (b) RESOLUTION NO. 108-2003, AUTHORIZING A THIRD AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH ON TARGET DELIVERY SERVICE, A SOLE PROPRIETORSHIP, TO EXTEND THE CONTRACT TERM FOR FOUR MONTHS AND INCREASE THE TOTAL COMPENSATION BY \$25,000 FOR AN AGGREGATE CONTRACT AMOUNT NOT TO EXCEED \$270,000 FOR MESSENGER AND DELIVERY SERVICES, 4 (c) RESOLUTION NO. 109-2003, AUTHORIZING AN AMENDED AND RESTATED FIRST AMENDMENT TO THE GROUND LEASE WITH NAMIKI APARTMENTS LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP, TO REVISE THE DISTRIBUTION OF SURPLUS CASH AS REQUIRED BY THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT TO CONFIRM ITS RIGHTS AS A LENDER FOR THE NAMIKI APARTMENTS, 1776 SUTTER STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, AGENCY'S HOUSING PRESERVATION PROGRAM, CITYWIDE TAX INCREMENT HOUSING PROGRAM, 4 (d) RESOLUTION NO. 110-2003. AUTHORIZING A FIFTH AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH SITE X DEVELOPMENT

ASSOCIATES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AND HABITAT FOR HUMANITY SAN FRANCISCO, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE SCHEDULE OF PERFORMANCE FOR NINETY DAYS; HUNTERS POINT REDEVELOPMENT PROJECT AREA, 4 (e) RESOLUTION NO. 111-2003, AMENDING THE SCHEMATIC DESIGN FOR BLOCK N1 TO ADJUST THE DISTRIBUTION OF OWNER INCLUSIONARY UNITS, PURSUANT TO AN OWNER PARTICIPATION AGREEMENT WITH CATELLUS DEVELOPMENT CORPORATION, A DELAWARE CORPORATION; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, AND 4 (f) RESOLUTION NO. 112-2003, AUTHORIZING A SECOND AMENDMENT TO THE PROPERTY MANAGEMENT AND LEASING AGREEMENT WITH JOHN STEWART COMPANY, A CALIFORNIA CORPORATION, TO MANAGE THE PLAZA HOTEL, 988-992 HOWARD STREET, IN AN AMOUNT NOT TO EXCEED \$274,700 FOR SERVICES BETWEEN JANUARY 23, 2003 THROUGH JANUARY 23, 2004, PAYABLE FROM PREVIOUSLY AUTHORIZED FUNDS, IN A TOTAL AGGREGATE AMOUNT OF \$900,000, WITH AN OPTION TO EXTEND FOR A 6-MONTH PERIOD SUBJECT TO APPROPRIATION OF FUNDS; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

- 4 (g) Resolution No. 113-2003, Public Hearing and Authorizing an eighth amendment to the Disposition and Development Agreement to permit assignment of the Disposition and Development Agreement with ARMAX Yerba Buena LLC, a California limited liability company, to Aurora YB, LLC, a Delaware limited liability company, in connection with the purchase and development of Parcel 3751-H (located at the northeast corner of the intersection of Fourth and Harrison Streets); Yerba Buena Center Approved Redevelopment Project Area

Presenters: Judy Eng (Agency staff)

Speakers: John Elberling

Commissioner Dunlop put forth a motion to adopt item 4 (g).

Commissioner Singh seconded Commissioner Dunlop's motion to adopt item 4 (g).

Commissioner King stated that he would not vote for the assignment as he opposed the previous amendment to the DDA resulting from the litigation by ARMAX.

Commissioner Yee expressed concerns with the delicatessen to be included in the supermarket and asked what the square footage was for the delicatessen because he heard that the delicatessen was going to be large and asked if anyone from Whole Foods was in attendance.

Ms. Judy Eng, Senior Development Specialist, stated that Whole Foods was not in attendance, but the supermarket would have 32,000 square feet including storage. Staff did not have the square footage for the delicatessen and would obtain the information and provide it to the Commission.

Executive Director Marcia Rosen stated that staff would provide a report to the Commission and recalled that the square footage of the delicatessen did not exceed the square footage requirements that would classify it as a restaurant.

Commissioner Singh stated that he had the same concerns as Commissioner Yee and he wanted to make sure that the delicatessen would not compete with surrounding restaurants in the area.

Commissioner Palamountain verified that the assignment of the DDA with Armax to Aurora was not mandated by the court and the DDA was binding on the property owner.

Ms. Eng affirmed that the assignment was not mandated by the court and the DDA was binding on the property owner.

Commissioner Palamountain stated that she would support the assignment of the DDA with Armax to Aurora.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, THAT ITEM 4 (g) RESOLUTION NO. 113-2003, PUBLIC HEARING AND AUTHORIZING AN EIGHTH AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT TO PERMIT ASSIGNMENT OF THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH ARMAX YERBA BUENA LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO AURORA YB, LLC, A DELAWARE LIMITED LIABILITY COMPANY, IN CONNECTION WITH THE PURCHASE AND DEVELOPMENT OF PARCEL 3751-H (LOCATED AT THE NORTHEAST CORNER OF THE INTERSECTION OF FOURTH AND HARRISON STREETS); YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT AREA, BE ADOPTED AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop
Ms. Palamountain
Mr. Singh
Mr. Yee
Mr. Romero

AND THE FOLLOWING VOTED “NAY”:

Mr. King

AND THE FOLLOWING WERE ABSENT:

Ms. Sexton

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES, ONE (1) NAY AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED AND RESOLUTION NO. 113-2003 WAS ADOPTED.

- 4 (h)** Resolution No. 114-2003, Authorizing Exclusive Negotiations of a personal services contract with KTB Realty Partners, Inc., a California corporation, d.b.a. KTB Management Group, for Property Management of Yerba Buena Gardens for an initial term of three years, with an agency option to extend the contract for one additional three-year term; Yerba Buena Center Redevelopment Project Area

Presenters: Denise Blades (Agency staff)

Speakers: Judith Baker, Shirley Bierly, Cris Granados, Archana Elwell, Adrienne Pon, Julie Burford

Commissioner Palamountain put forth a motion to adopt item 4 (h) and thanked the KTB staff for their diligence and hard work, in particular the leadership quality exhibited in the Fillmore area to ensure that the job was done right for the Western Addition community.

Commissioner Dunlop seconded Commissioner Palamountain’s motion to adopt item 4 (h) and thanked staff for the good outreach to ensure qualified applicants for the work. Mr. Dunlop thanked KTB and commended it for the excellent property management work at the Yerba Buena Gardens and shared that he was always proud to show out of town visitors the well-kept gardens.

Commissioner Yee stated that he concurred with his fellow Commissioners and the public's comments about KTB's outstanding work and recalled the early years of KTB when it first started. Mr. Yee shared that he often visited the Yerba Buena Gardens and saw movies with his wife and was always impressed with how the facilities were well maintained. Mr. Yee recognized the good work of Mr. Herman Clark of KTB and asked for the number of employees that worked at KTB. Mr. Yee also asked how many patrol officers patrol the gardens and if they carried arms.

Mr. Herman Clark of KTB responded that KTB had 72 employees and three patrol officers were on duty per eight-hour shift and they did not carry arms.

Commissioner Singh stated that he agreed with Commissioner Yee that KTB had done an outstanding job of maintaining the Yerba Buena Gardens and urged that they keep up the good work.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 114-2003, AUTHORIZING EXCLUSIVE NEGOTIATIONS OF A PERSONAL SERVICES CONTRACT WITH KTB REALTY PARTNERS, INC., A CALIFORNIA CORPORATION, D.B.A. KTB MANAGEMENT GROUP, FOR PROPERTY MANAGEMENT OF YERBA BUENA GARDENS FOR AN INITIAL TERM OF THREE YEARS, WITH AN AGENCY OPTION TO EXTEND THE CONTRACT FOR ONE ADDITIONAL THREE-YEAR TERM; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (i) Resolution No. 115-2003, Authorizing a panel of real estate appraisers and personal services contracts with each appraiser/appraisal firm in a total amount not to exceed \$360,000 for a three-year period, subject to appropriation of funds; for appraisal services on an as-needed basis; all project areas, survey areas, city-wide housing program

Presenters: Ricky Tijani (Agency staff)

Speakers: Mary Helen Rogers

Acting President Romero asked if the Agency did not approved similar panels on a yearly basis because he recalled that it did.

Executive Director Rosen responded that the Commission approved a three-year contract with the appraisal panel and the contract was approaching the conclusion of its third year. The matter before the Commission was for a new three-year period. Ms. Rosen clarified that the recommended panel was

for appraisal firms and not law firms (as Mrs. Mary Rogers stated in her testimony).

Commissioner King asked if the recommended appraisal firms were in attendance at the meeting because he had concerns about their compliance with the Agency's affirmative action program. Mr. King stated that he was not ready to support staff's recommendation of the appraisal panel until the firms showed respect to the Commission by attending the meeting.

Commissioner Yee asked why only 30% of Agency funds were awarded to Minority and Women-owned Business Enterprises (M/WBE).

Mr. Ricky Tijani, Senior Development Specialist, explained that the Agency's goal for M/WBE participation was 20% and the 30% participation for the appraisal panel exceeded that goal. In addition, only half of the budgeted \$360,000 for appraisal services was spent, as the anticipated work was not realized.

Commissioner Yee stated that he supported Commissioner King's statements since only six of the 13 firms had enough respect to show up at the meeting and it seemed like they were taking it for granted that the Commission would approve the contract. Mr. Yee stated that he too, was not ready to support staff's recommendation.

Commissioner Dunlop put forth a motion to adopt item 4 (i) and stated that it was good policy to have an appraisal panel available to handle various Agency projects expeditiously. Mr. Dunlop stated he recalled that attendance by consultants was not usually required and felt that it was not necessary to have consultants present at the meeting when staff had already reviewed their qualifications and compliance with the Agency's Equal Employment Opportunity Program, but he appreciated it when consultants do come to the meetings. Mr. Dunlop stated that consultants who were not able to attend the meetings should not be penalized when they have otherwise met the Agency's policies.

Commissioner Singh stated that only six firms were in attendance and he preferred to see the firms at the meeting before the Commission approved the contracts.

Commissioner King stated that he disagreed with Commissioner Dunlop because consultants used to always come before the Commission every year until the three-year contracts were introduced. Mr. King stated that it was good practice to have the consultants come to the meetings so that Commission could see and ask them questions particularly about their affirmative action practices. Mr. King stated that he preferred that the matter be delayed until the other firms can come to the meeting.

Commissioner Palamountain seconded Commissioner Dunlop's motion to adopt item 4 (i) and referred to the Commission memorandum that included the list of recommended firms with their workforce statistics in compliance with the Agency's Equal Employment Opportunity Program. Ms. Palamountain stated that she agreed with Commissioner Dunlop that consultants should not be required to attend meetings.

Executive Director Rosen stated that she acknowledged the Commissioners' concerns, but explained that ensuring the availability of all 13 firms may be difficult because of their work schedules. Ms. Rosen stated that all of the firms were screened by staff on their compliance with the Agency's Equal Employment Opportunity Program. Ms. Rosen reminded the Commission of the jeopardy of not having available appraisal firms on contract with the Agency for upcoming Agency projects.

Acting President Romero expressed concerns that the Commission's judgment on approving contracts was solely based on the consultants' attendance at the meeting because attendance did not really provide any more information to the Commission. Mr. Romero stated that it was important for the Commissioners to read the staff report and was concerned with the impacts of delaying action on the matter. Mr. Romero referred to the list of firms in the Commission memorandum and noticed that some of the firms did not have any employees and may not have been available to come to the meeting. Mr. Romero stated he assumed that staff screened all of the firms for compliance with Agency policies and shared the concern about the firms' diversity, but the matter should not be delayed.

Commissioner Yee asked if staff contacted the firms and asked them to come to the meeting.

Executive Director Rosen informed the Commission that all of the firms were contacted and six of the firms advised staff that they could not attend the meeting. Ms. Rosen pointed out that the RFQ did not require attendance at the Commission meeting.

Commissioner Yee stated that his job as a Commissioner was not to rubberstamp contracts and it was important for consultants doing business with the Agency to show their respect to the Commission.

Acting President Romero stated that it was good to ask questions and now the Commission knew that all of the firms were contacted, but six of the firms could not make it to the meeting and with the six firms in attendance, Mr. Romero thought that was a good turnout.

Commissioner King stated that he still did not agree with Commissioner Dunlop because he would prefer to see the consultants in person to ensure their commitment to affirmative action, and he would like the matter continued until the other six firms could come to the meeting.

Commissioner Yee suggested that Commissioner Dunlop withdraw his motion and Mr. Yee would put forth a motion to continue the item for two weeks so that the matter would not be disapproved outright.

Commissioner Dunlop stated that he agreed and withdrew his motion to adopt item 4 (i).

Commissioner Yee put forth a motion to continue the matter until the Commission meeting of July 29th and the six firms in attendance did not have to come to the July 29th meeting.

Commissioner King seconded Commissioner Yee's motion to continue the matter until July 29th.

MOTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. KING, THAT ITEM 4 (i) RESOLUTION NO. 115-2003, AUTHORIZING A PANEL OF REAL ESTATE APPRAISERS AND PERSONAL SERVICES CONTRACTS WITH EACH APPRAISER/APPRaisal FIRM IN A TOTAL AMOUNT NOT TO EXCEED \$360,000 FOR A THREE-YEAR PERIOD, SUBJECT TO APPROPRIATION OF FUNDS; FOR APPRAISAL SERVICES ON AN AS-NEEDED BASIS; ALL PROJECT AREAS, SURVEY AREAS, CITY-WIDE HOUSING PROGRAM, BE CONTINUED TO THE COMMISSION MEETING OF JULY 29, 2003, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop
Mr. King
Mr. Singh
Mr. Yee
Mr. Romero

AND THE FOLLOWING VOTED "NAY":

Ms. Palamountain

AND THE FOLLOWING WERE ABSENT:

Ms. Sexton

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES, ONE (1) NAY, ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED AND ITEM 4 (i) WAS CONTINUED TO THE COMMISSION MEETING OF JULY 29, 2003.

Items 4 (j) and (k) were presented together and acted upon separately.

- 4 (j)** Resolution No. 116-2003, Public hearing and Annexation No. 3 of territory to Community Facilities District No. 1 (South Beach) authorizing the levy of a special tax and submitting levy of tax to qualified electors; Rincon Point-South Beach Redevelopment Project Area
- 4 (k)** Resolution No. 117-2003, Annexation No. 3 of territory to Community Facilities District No. 1 (South Beach) authorizing the levy of a special tax and submitting levy of tax to qualified electors; Rincon Point-South Beach Redevelopment Project Area

Presenters: Amy Neches (Agency staff)

Speakers: Mary Helen Rogers

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT ITEM 4 (j) RESOLUTION NO. 116-2003, PUBLIC HEARING AND ANNEXATION NO. 3 OF TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 1 (SOUTH BEACH) AUTHORIZING THE LEVY OF A SPECIAL TAX AND SUBMITTING LEVY OF TAX TO QUALIFIED ELECTORS; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Before the Commission voted on item 4 (k), Commission Secretary Erwin R. Tanjuaquio announced the results of the election from the completed canvass received from all qualified electors and the tally of the votes, which were three votes in favor of annexation and no votes against.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT ITEM 4 (k) RESOLUTION NO. 117-2003, ANNEXATION NO. 3 OF TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 1 (SOUTH BEACH) AUTHORIZING THE LEVY OF A SPECIAL TAX AND SUBMITTING LEVY OF TAX TO QUALIFIED ELECTORS; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Mary Helen Rogers

7. **REPORT OF THE PRESIDENT**

- Acting President Romero reported that at the Agenda setting meeting held on July 7th, it was decided that the July 15th meeting be cancelled because there was only one item scheduled on the calendar and the Board of Supervisors will be hearing the Agency's 2003-2004 budget on that date and requires the Executive Director's attendance and testimony.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

Executive Director Rosen thanked Mrs. Helen Rogers for the information on vandalism of the Fillmore Bridge and staff was looking into installing signs and additional patrols.

- Board of Supervisors Budget Committee meeting on June 28th, recommended passage of an Agency interim budget by the full Board, with the full Board considering the Agency's final budget on July 15th.
- SB211 Ordinance was originally scheduled before the Board's Budget Committee on July 10th, but had been rescheduled to July 17th.
- Board of Supervisors meeting on July 8th, approved the Transfer Agreement for the Transbay parcel.
- City Planning Commission meeting on July 10th, to consider approval of Plaza Hotel demolition and conditional use permits as well as waiver of parking requirement for art use.
- At Commissioner Singh's request, staff was completing a response to Mr. Dave Osgood's inquiry, which will include a report on the annual audit of the below market-rate units in Rincon Center.

- At President Sexton's request for weekly updates regarding the Catellus contracting issue, reported that the parties involved met on July 2nd to continue the review of correspondence and Catellus' proposal to contract directly with Marinship for the remaining infrastructure work in Mission Bay
- July 12th kick-off of the Fillmore Saturday Market beginning at 8:30 a.m., with a ribbon-cutting ceremony at 8:15 a.m., at Parcel 732-A, Eddy and Fillmore Streets.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Palamountain welcomed Mr. Leamon Abrams and Mr. James Morales to the Agency and offered her support. Ms. Palamountain thanked staff for its hard work on the Western Addition monthly report and commended staff for the well-written and detailed reports. Ms. Palamountain stated that it was exciting to see the forward progress in the Fillmore and that the monthly reports need not necessarily continue and occasional reports would suffice.
- Commissioner Yee stated that it was a good reason to cancel the July 15th meeting since there was only one item scheduled on the calendar.
- Commissioner Yee asked if it was possible to install video cameras around the Fillmore Bridge to prevent vandalism of the artwork, because he had seen that work in certain areas of Chinatown.

Executive Director Rosen stated that there may be legal issues with installing surveillance cameras in public spaces, but stated that staff would consult with the Captain of the Northern Police station for advise on security for the bridge and art work and would report back to the Commission.

- Commissioner King thanked the Executive Director for bringing back two former Agency employees, Mr. James Morales and Mr. Leamon Abrams. Mr. King stated that Ms. Rosen had made two good choices and he was glad to have them back at the Agency.
- Commissioner Singh welcomed back Mr. James Morales and Mr. Leamon Abrams to the Agency. Mr. Singh asked how many farmers were participating in the Fillmore Saturday Market and if they were really farmers.

Executive Director Rosen stated that staff did not have the number of farmers participating, but the Saturday Market was a collaboration of the Pacific Coast Farmers Association and an African-American Farmers Association working together for the specialty market and the participants would not be wholesalers, but actual farmers marketing their goods.

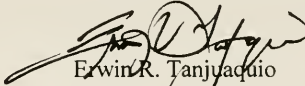
- Commissioner Yee announced the opening of the Chinatown Night Market on Saturday July 26th at 6:00 p.m. at Portsmouth Square next to the Chinatown Holiday Inn, and invited everyone to come.

10. **CLOSED SESSION:** None.

11. **ADJOURNMENT**

It was moved by Mr. King, seconded by Mr. Yee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:26 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

July 22, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF JULY 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 22nd day of July 2003, at the place and date duly established for holding of such a meeting.

The Commission met as the Housing Committee of the Affordable Housing and Home Ownership Bond Program before commencing the regular Agency meeting Agenda. The Housing Committee meeting was called to order at 4:00 p.m. and adjourned at 4:15 p.m.

President Michelle W. Sexton called the Commission meeting to order at 4:22 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Michelle W. Sexton, President
Ramon E. Romero, Vice-President
Mark Dunlop
Leroy King
Kathryn C. Palamountain
Darshan Singh
Benny Y. Yee

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Joanne Sakai, Acting Executive Director, and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a)** Approval of Minutes: Meetings of June 24 and July 8, 2003
- 4 (b)** Resolution No. 118-2003, Authorizing a First Amendment to the ground lease with Mercy Housing California XVIII, L.P., a California limited partnership, to modify certain lease and revise the schedule of performance for the rehabilitation of 72 units of very low-income senior rental housing units, at Leland Polk Senior Community, 1301-1327 Polk Street; Citywide Tax Increment Housing Program
- 4 (c)** Resolution No. 119-2003, Authorizing a First Amendment to the ground lease with Mercy Housing XXII, L.P., A California limited partnership, to revise the schedule of performance for the rehabilitation of 75 units of very low and low-income rental housing units at the Dudley Apartments, 172 Sixth Street; South of Market Earthquake Recovery Redevelopment Project Area

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETINGS OF JUNE 24 AND JULY 8, 2003 (MS. SEXTON ABSTAINING FOR THE JULY 8, 2003 MINUTES), 4 (b) RESOLUTION NO. 118-2003, AUTHORIZING A FIRST AMENDMENT TO THE GROUND LEASE WITH MERCY HOUSING CALIFORNIA XVIII, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO MODIFY CERTAIN LEASE AND REVISE THE SCHEDULE OF PERFORMANCE FOR THE REHABILITATION OF 72 UNITS OF VERY LOW-INCOME SENIOR RENTAL HOUSING UNITS, AT LELAND POLK SENIOR COMMUNITY, 1301-1327 POLK STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM, AND 4 (c) RESOLUTION NO. 119-2003, AUTHORIZING A FIRST AMENDMENT TO THE GROUND LEASE WITH MERCY HOUSING XXII, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO REVISE THE SCHEDULE OF PERFORMANCE FOR THE REHABILITATION OF 75 UNITS OF VERY LOW AND LOW-INCOME RENTAL HOUSING UNITS AT THE DUDLEY APARTMENTS, 172 SIXTH STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

- 4 (d)** Resolution No. 120-2003, Endorsement of the Phase I Conceptual Framework for Development/Term Sheet as specified in the Exclusive Negotiations Agreement with Lennar/BVHP, LLC, a California limited liability company, for the first phase of development of Hunters Point Shipyard; Hunters Point Shipyard Redevelopment Project Area

Presenters: Don Capobres (Agency staff), Scott Madison (Hunters Point Shipyard CAC), Linda Richardson (BVHPPAC), Roy Willis (Lennar/BVHP)

Speakers: Dorris M. Vincent, Ena Aguirre, Dr. George Davis, James Bryant, Frank Williams, Dwayne Jones, Dr. Michael Williams, Rev. Arnold G. Townsend, Ellen Hayes, Michael Strause, Angelo P. King, Willie B. Kennedy, Maurice Quillen, Karlene Hines, Brian Flaherty, Gary Banks, Cedric Jackson, Ulysses J. Montgomery, Jesse Mason, Gayle Orr-Smith, John Williams, Millard Larkin, Derek Smith, Oscar James, Derf Butler, Barry Pierce

Commissioner King stated that it was a great day for the Hunters Point community and he was pleased to see the community unite behind the redevelopment efforts in the Shipyard. Mr. King congratulated Lennar/BVHP and the community. Mr. King put forth a motion to adopt item 4 (d).

Commissioner Palamountain stated that the conceptual framework was non-binding, but the Disposition and Development Agreement (DDA) with the developer would be. Ms. Palamountain stated that there was a strong start with the completion of the conceptual framework, but she would be watching the details of the process leading up to the execution of the DDA because of ongoing concerns with environmental issues expressed by the community, in particular Block 48 of Parcel A, and the community's desire that the cleanup and characterization of Parcel E would be completed before executing the DDA.

Mr. Don Capobres, Senior Project Manager for the Hunters Point Shipyard, informed the Commission that the City had put together its own environmental review team to address the environmental issues in the Shipyard and asked an environmental attorney from the City Attorney's office advising the negotiating team to address the question.

Ms. Elaine Warren, of the City Attorney's office, stated that characterization of Parcel E was progressing and pointed out that since the development of Block 48 was planned later in the development phase, the City was confident that Parcel E would be characterized long before Block 48 was

developed. In addition, the City and Agency had hired their own toxics expert to work with the regulators and the Navy in monitoring and reviewing the remediation work on all of the parcels. Ms. Warren stated that the Navy was continuing to be proactive in the cleanup; the City was comfortable with the adjacency issues and the Navy was required to prepare a Health and Safety Plan that it would have to comply with as part of any development in the Shipyard.

Commissioner Palamountain stated that she would be looking at the issue of reducing the historic flows to the Southeast Sewage Treatment facility as expressed by the community. Ms. Palamountain asked about how the parties agreed to the 12% internal rate of return for Lennar. Ms. Palamountain asked if a developer would have an opportunity in the normal course of business to refinance its predevelopment costs at a lower interest rate, and if it could refinance, should it get the higher rate of return?

Mr. Collin Elliot, real estate consultant, stated that Lennar was projected to spend about \$20 million in predevelopment costs and, pursuant to the exclusive negotiations agreement, was entitled to earn 12% on its predevelopment costs up until the execution of the DDA. The 12% rate of return was a negotiated figure and was based on the cost of capital and a margin for overhead and the risk on the developer's investment. The 12% interest rate would accrue on the \$20 million figure up to a maximum of \$5 million. Lennar would be entitled to be reimbursed up to \$10 million from the Mello-Roos public financing and the remaining balance of an estimated \$15 million would be paid to Lennar from future land sales, which would earn the targeted rate of 25% internal rate of return.

Mr. Don Capobres clarified that there was no debt on Lennar's investment or predevelopment costs and the money Lennar had been spending since 1999 was all cash equity. Mr. Capobres pointed out that although the stated rate of return for Lennar was 25%, the reality was that by the time the Shipyard was fully developed under the master developer scenario, the actual rate of return based on the current financial models, would be in the teens. The longer the project was delayed, the lower the rate of return would be on Lennar's investment and risk.

Commissioner Palamountain stated she understood that the vertical development was based upon a free market theory under a land development partnership between Lennar and the Agency, with each maximizing its profits at the point when parcels were sold. Ms. Palamountain asked how the vertical development sale process would be accomplished given that the Agency's commitment to providing the maximum community benefits would come from the vertical development stage.

Mr. Don Capobres stated that under the entrepreneurial land development model in the conceptual framework, the Agency would be a land development partner with Lennar. Because of the delays and costs of the project, Lennar's investment return had not turned out to be what the parties had originally anticipated. There would be "strike" prices for parcels based upon a pro-forma financial analysis, and Lennar would have a right of first refusal to purchase some of the parcels at the agreed upon strike price.

Acting Executive Director Joanne Sakai clarified that what was being called a strike price was really a target that was based upon staff's projections of future conditions. At the time of execution of the DDA, there would be a list of parcels for the first phase of development with target or strike prices, but the parcels would not have been appraised yet. When a specific parcel was anticipated to be sold, an appraisal would be done, and if the appraisal supported the strike or target price, the sale could proceed.

Commissioner Palamountain stated that she would second Commissioner King's motion to adopt item 4 (d), but she had concerns with the vertical development sale process and wanted to ensure that the community benefits, in particular employment and affordable housing opportunities, were realized. Ms. Palamountain thanked the entire City and Agency team for its hard work and the tremendous work of the community, and that she looked forward to hearing more details on her questions at the DDA stage.

Commissioner Romero thanked the community for its hard work and congratulated Agency and City staff for their dedication. Mr. Romero stated his support for the conceptual framework and agreed with Commissioner Palamountain that community benefits should be maximized to the extent possible.

Commissioner Dunlop thanked staff, Lennar and the community for all of their hard work and stated that it was good to hear how well the community and Lennar work together on a potentially wonderful project. Mr. Dunlop shared the concerns with the toxic cleanup issues and stated that it was extremely important that Parcel E was fully characterized prior to the development of not just Block 48, but all of Parcel A. Mr. Dunlop asked about the \$10 million of Lennar's qualified predevelopment costs and if a breakdown of those costs would be shared with the Commission.

Mr. Don Capobres stated that staff believed that Parcel E would be fully characterized before Block 48 was developed, and that no new development would occur anywhere in the Shipyard until the state regulators as well as the City's own environmental review team had signed off on the toxic cleanup. Mr. Capobres stated that Lennar's qualified predevelopment costs to be repaid from the Mello-Roos public financing would undergo strict scrutiny through IRS tax code compliance in addition to a third party audit.

Commissioner Singh thanked Agency and City staff, Lennar and the community for working together on a very important project. Mr. Singh stated that he learned a lot from questions raised by Commissioners Palamountain and Dunlop and believed that the Agency should move forward with the conceptual framework.

Commissioner Yee echoed his fellow Commissioners' comments and support for the project. Mr. Yee stated that the process seemed slow, but realized the magnitude and complexity of the project. Mr. Yee thanked all who were involved and stated his support for the conceptual framework.

President Sexton thanked Agency and City staff and stated that she was pleased to see the Shipyard moving right along and that the hard work from everyone was greatly appreciated.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 120-2003, ENDORSEMENT OF THE PHASE I CONCEPTUAL FRAMEWORK FOR DEVELOPMENT/TERM SHEET AS SPECIFIED IN THE EXCLUSIVE NEGOTIATIONS AGREEMENT WITH LENNAR/BVHP, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR THE FIRST PHASE OF DEVELOPMENT OF HUNTERS POINT SHIPYARD; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (e) and (f) were presented together and acted upon separately.

- 4 (e)** Resolution No. 121-2003, Authorizing the Agency to submit an application to the California Tax Credit Allocation Committee with Public Initiatives Development Corporation, a California nonprofit public benefit corporation, as co-applicant for an allocation of federal tax credits, for the predevelopment and construction of 106 very low income rental units, ground floor commercial space and the replacement of Bindlestiff Studio, at 988-992 Howard street; South of Market Earthquake Recovery Redevelopment Project Area
- 4 (f)** Resolution No. 122-2003, Authorizing an amended and restated Tax Increment Affordable Housing Program Loan Agreement with Public Initiatives Development Corporation, a California nonprofit public benefit corporation, to increase the loan amount by \$8,422,440, for a total aggregate amount not to exceed \$10,922,440 for the predevelopment and construction of 106 very low income rental units, ground floor commercial space and the replacement of Bindlestiff Studio, at 988-992 Howard street; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Vanessa Dandridge (Agency staff)

Commissioner Romero put forth a motion to adopt item 4 (e).
Commissioner Dunlop seconded the motion.

President Sexton asked what would happen if the Agency's application for tax credits was not successful.

Ms. Vanessa Dandridge, Development Specialist, stated that staff would wait for the next round of tax credits and would apply for MHP funds in October.

Commissioner Yee asked when staff estimated that groundbreaking for the Plaza Apartments.

Ms. Dandridge stated that groundbreaking was anticipated in early 2004.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 121-2003, AUTHORIZING THE AGENCY TO SUBMIT AN APPLICATION TO THE CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE WITH PUBLIC INITIATIVES DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, AS CO-APPLICANT FOR AN ALLOCATION OF FEDERAL TAX CREDITS, FOR THE PREDEVELOPMENT AND CONSTRUCTION OF 106 VERY LOW INCOME RENTAL UNITS, GROUND FLOOR COMMERCIAL SPACE AND THE REPLACEMENT OF BINDLESTIFF STUDIO, AT 988-992 HOWARD STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 122-2003, AUTHORIZING AN AMENDED AND RESTATED TAX INCREMENT AFFORDABLE HOUSING PROGRAM LOAN AGREEMENT WITH PUBLIC INITIATIVES DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO INCREASE THE LOAN AMOUNT BY \$8,422,440, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$10,922,440 FOR THE PREDEVELOPMENT AND CONSTRUCTION OF 106 VERY LOW INCOME RENTAL UNITS, GROUND FLOOR COMMERCIAL SPACE AND THE REPLACEMENT OF BINDLESTIFF STUDIO, AT 988-992 HOWARD STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (g)** Resolution No. 123-2003, Commending and expressing appreciation to Barbara E. Amato upon the occasion of her retirement from the Redevelopment Agency of the City and County of San Francisco

Presenters: Ora Meacham (Agency staff)

Speakers: Shirley Wysinger, Erwin R. Tanjuaquio

Commissioner Dunlop thanked Barbara Amato for her 25 years of working at the Agency and stated that the Agency was grateful and would miss her.

Commissioner Singh stated that Barbara Amato looked too young to retire, but wished her good luck.

Commissioner Yee wished Barbara Amato good luck and congratulations. Mr. Yee added that Ms. Amato's tenure at the Agency was very dedicated and commendable and that he admired anyone who worked for 25 years.

Commissioner King stated that he recalled Barbara Amato taking him around the waterfront project when he first became a Commissioner in 1980. Mr. King thanked Ms. Amato for her hard work and wished her good luck.

President Sexton wished Ms. Amato good luck on her retirement and stated that she was very impressed with her 25-year tenure at the Agency.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 123-2003, COMMENDING AND EXPRESSING APPRECIATION TO BARBARA E. AMATO UPON THE OCCASION OF HER RETIREMENT FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

- 4 (h)** Resolution No. 124-2003, Commending and expressing appreciation to Arakel S. Derounian for his services on the occasion of his retirement from the Redevelopment Agency of the City and County of San Francisco

President Sexton informed the Commission that Mr. Derounian had to leave the Commission meeting and asked that the matter be continued to a time when Mr. Derounian could be in attendance.

President Sexton entertained a motion to continue item 4 (h).

MOTION: IT WAS MOVED BY MR. YEE, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (h) RESOLUTION NO. 124-2003, COMMENDING AND EXPRESSING APPRECIATION TO ARAKEL S. DEROUNIAN FOR HIS SERVICES ON THE OCCASION OF HIS RETIREMENT FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE CONTINUED TO A TIME WHEN ARAKEL DEROUNIAN WAS AVAILABLE TO ATTEND THE MEETING.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS** None.

7. **REPORT OF THE PRESIDENT**

- President Sexton shared that she went to the Fillmore Farmers' Market on July 19th and that there was a good turnout and encouraged everyone to visit next Saturday.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Fillmore's Farmer's Market opening and ribbon-cutting held July 12th – Agency staff and five Commissioners in attendance – over 1,500 participants from the neighborhood and City with more farmers expected to participate in the coming weeks.
- Agency's final budget approved by the full Board on July 8th.
- SB211 Ordinance – approved by Board of Supervisors' Budget Committee on July 17th and recommended to the full Board.
- Western Addition A-2 monthly community meeting – Thursday, July 24th from 6:00 to 8:00 p.m. at the Westbay Conference Center (Fillmore and Eddy Streets).
- Informational memorandum regarding the Rincon Center below market-rate housing.
- Catellus contracting – parties continued to meet with positive results including proposal by Catellus to contract directly with Marinship.

- Chinatown pedestrian bridge – bridge connecting Portsmouth Square and the Holiday Inn, which houses the Chinese Cultural Center. The pedestrian bridge was required as a condition of the Holiday Inn's entitlements in order to provide pedestrian access to the Chinese Cultural Foundation. Holiday Inn had made a request to the Agency earlier in the year to install a gate and was advised that the Agency would have to approve the installation of a gate. The Chinese Cultural Foundation had subsequently informed the Agency that a gate was installed without notifying the Agency, and the Cultural Foundation had written the developer, Justice Investors, that the Foundation did not consent to the installation of the gate and considered the gate a breach of the hotel's lease. Agency staff would follow up with the developer and inform it that installation of a gate would have to go through the normal Agency staff design review and that the gate must not impede the Cultural Foundation's public activities during its normal business hours.

9. COMMISSIONERS' QUESTIONS AND MATTERS

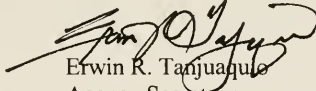
- Commissioner Yee stated that he was the co-chair of the Chinatown night market and they noticed that a gate had been installed on the pedestrian bridge, and according to the Director of the Department of Building Inspection and the Chief Inspector, there was no record of a permit for the gate. Mr. Yee stated that he informed Executive Director Marcia Rosen a couple of weeks ago and suggested that a letter from the Agency should be written to the owner to inform them that they needed the Agency's consent to install the gate. Mr. Yee asked that staff write a letter immediately so that the gate could be removed before the opening of the Chinatown night market on Saturday, July 26th. Mr. Yee invited the public to come to the night market, which opens at 6:00 p.m.
- Commissioner Yee stated that he agreed with a speaker who suggested another workshop on the Hunters Point Shipyard project.
- Commissioner Yee stated that he would like to have a tour of Mission Bay and asked staff to arrange a tour with other Commissioners.
- Commissioner Singh stated that he would like a tour of the Hunters Point Shipyard project.

10. CLOSED SESSION: None.

11. ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:42 p.m.

Respectfully submitted,



Erwin R. Tanjuaque
Agency Secretary

APPROVED:

August 19, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
29TH DAY OF JULY 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 29th day of July 2003, at the place and date duly established for holding of such a meeting.

President Michelle W. Sexton called the meeting to order at 4:00 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Michelle W. Sexton, President
Ramon E. Romero, Vice-President
Mark Dunlop
Leroy King
Kathryn C. Palamountain
Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:**

CONTINUED FROM THE COMMISSION MEETING OF JULY 8, 2003

- 3 (a) Resolution No. 115-2003, Authorizing a real estate appraiser panel from which the Executive Director may select, on an as-needed basis, individual appraisers and enter into personal services contracts for a total aggregate amount not to exceed \$360,000 for a three-year period, subject to appropriation of funds; all Project Areas, Survey Areas, City-wide Housing Program

Presenters: Ricky Tijani (Agency staff)

Commissioner Dunlop put forth a motion to adopt item 3 (a).
Commissioner Yee seconded the motion.

Commissioner King stated that he was still opposed to the three-year contract because it took away authority from the Commission and he still had questions with the firms' affirmative action. Mr. King stated that with the three-year contracts, soon there would no longer be a need for the Commission.

Commissioner Romero stated that he supported the resolution and stated for the record that the Agency should not have a requirement for consultant firms to appear before the Commission as one of the requirements for contract approval.

Commissioner Yee stated that Commissioner King brought up a good point about the three-year contract, and although he was not opposed to the appraisal firms, he was opposed to multiple-year contracts. Mr. Yee withdrew his second to Commissioner Dunlop's motion.

Commissioner Palamountain seconded Commissioner Dunlop's motion to adopt item 3 (a).

Commissioner Singh stated he agreed that there should only be one-year contracts and not multiple years.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, THAT ITEM 3 (a) RESOLUTION NO. 115-2003, AUTHORIZING A REAL ESTATE APPRAISER PANEL FROM WHICH THE EXECUTIVE DIRECTOR MAY SELECT, ON AN AS-NEEDED BASIS, INDIVIDUAL APPRAISERS AND ENTER INTO PERSONAL SERVICES CONTRACTS FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$360,000 FOR A THREE-YEAR PERIOD, SUBJECT TO APPROPRIATION OF FUNDS; ALL PROJECT AREAS, SURVEY AREAS, CITY-WIDE HOUSING PROGRAM, BE ADOPTED AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop
Ms. Palamountain
Mr. Romero
Ms. Sexton

AND THE FOLLOWING VOTED “NAY”:

Mr. King
Mr. Singh
Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (4) AYES, AND THREE (3) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT RESOLUTION NO. 115-2003 WAS ADOPTED.

CONTINUED FROM THE COMMISSION MEETING OF JULY 22, 2003

- 3 (b)** Resolution No. 124-2003, Commending and expressing appreciation to Arakel S. Derounian for his services on the occasion of his retirement from the Redevelopment Agency of the City and County of San Francisco

Presenters: Ed Ong (Agency staff)

President Sexton thanked Mr. Arakel Derounian personally for the long service to the Agency and stated that Mr. Derounian’s service gave so much value to City government with the skills and talent that he brought to his job.

Commissioner Palamountain thanked Mr. Arakel Derounian for his service to the Agency and wished him good luck.

Commissioner Dunlop thanked Mr. Arakel Derounian, congratulated him on his retirement and wished him well.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 3(b) RESOLUTION NO. 124-2003, COMMENDING AND EXPRESSING APPRECIATION TO ARAKEL S. DEROUNIAN FOR HIS SERVICES ON THE OCCASION OF HIS RETIREMENT FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a)** Resolution No. 125-2003, Authorizing a one-month extension of Memorandum of Agreement with the San Francisco Redevelopment Employee Association (Professional/Technical Unit)

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM 4 (a) RESOLUTION NO. 125-2003, AUTHORIZING A ONE-MONTH EXTENSION OF MEMORANDUM OF AGREEMENT WITH THE SAN FRANCISCO REDEVELOPMENT EMPLOYEE ASSOCIATION (PROFESSIONAL/TECHNICAL UNIT), BE ADOPTED.

REGULAR AGENDA

- 4 (b)** Resolution No. 126-2003, Amending Article III, Section 31 of the By-Laws of the Redevelopment Agency of the City and County of San Francisco to establish the first and third Tuesdays of each month as its regularly scheduled Commission meetings

President Sexton explained what prompted her to propose the by-law amendment to have two meetings a month. Ms. Sexton recalled that after 11 months of actively scheduling items on the Agenda since she came to the Commission, she noticed that the meetings had become shorter in duration and did not really have a full calendar to justify weekly Commission meetings. In addition, the amount of staff time it took to schedule and prepare the weekly Agenda packets and the time for staff to prepare its presentation at Commission meetings led to the proposed reduction of the meetings to twice a month in order to have more efficient meetings and increased productivity. Ms. Sexton pointed out that prior to her arrival to the Commission, the Commission had already reduced its weekly meetings to three a month where the Commission did not meeting on the first Tuesday of the month. Ms. Sexton stated that in looking at future activities of the Agency and items scheduled in the forward calendar, it would be more efficient to reduce the Commission meetings to twice a month.

Speakers: Terry Collins, Mary Helen Rogers, Rev. Arnold Townsend

Commissioner Dunlop put forth a motion to adopt item 4 (b) and stated that the reduced meetings did not mean that special meetings could not be called when needed. Mr. Dunlop pointed out that most commissions meet only twice a month and during lean economic times, it made sense to not have

staff go through the enormous expense of weekly meetings and reduced meetings would serve the public better.

Commissioner King stated that he was speaking against the motion and the resolution was a self-serving resolution by the President because of her employment at the City Attorney's Office in Oakland whose City Council also met on Tuesday. Mr. King stated that the President should serve San Francisco first and the Agency did not even check with radio station KPOO whom the Agency had a contract with. Mr. King stated his opposition to the resolution.

Commissioner Yee stated that he was strongly opposed to the by-law amendment and reminded the Commission that they were there to serve the people of the City and recalled many long meetings with some lasting until midnight. Mr. Yee stated that having only two meetings a month would not work because he had not heard any public support for reducing the meetings to twice a month. Mr. Yee stated that the Agency could not serve the public well with just two meetings a month.

Commissioner Singh asked what efficiencies would be realized with the reduced meetings and what the cost savings were.

Executive Director Rosen stated that staff had estimated a weekly cost savings of between \$5,000 and \$6,000 from staff overtime, delivery service costs, postage for mailing Agendas and other related costs to preparing the weekly Agenda packets.

Commissioner Singh stated that he did not think that \$5,000 was too much to spend to serve the public.

Commissioner Romero stated that he was perplexed by some of the Commissioners' comments given that the City and the whole State was in the middle of bad economic times. Mr. Romero recalled that in the first few years of being an Agency Commissioner, there were weekly meetings and they were all lengthy because of the number of projects the Agency had going at that time, but now the Agency did not have the same volume of business or the number and length of Agenda items as it did four or even two years ago. Mr. Romero stated that he took his job as a Commissioner very seriously and when City departments were asked to reduce staff and employees asked to forego certain benefits, it was not appropriate for the Agency to continue with business as usual. Mr. Romero reminded the Commission that it adopted Resolution No. 12-2001 on February 6, 2001 regarding public criticism of employees and Commissioners, specifically on rules of debate to confine remarks to the merit of the pending question and refraining from attacking a member's motive and refraining from disturbing the assembly. Mr. Romero responded to some of the public comments that

the Agency was folding its tent and stated that the Agency was not folding its tent, but was moving to a smaller tent. Mr. Romero stated that every Commissioner made sacrifices to come to meetings just as members of the public who were concerned enough to come to the meetings. Mr. Romero stated that \$5,000 in savings was significant and given the budget cutbacks all over the City and the State, it was not justified to have four meetings a month and as the by-laws provided, special meetings could be called when warranted. Mr. Romero seconded Commissioner Dunlop's motion to adopt item 4 (b).

Commissioner King pointed out that the Commission memorandum stated that staff had no recommendation on the proposed by-law amendment, but the Executive Director had prepared cost savings figures when prompted by the Commission President. Mr. King stated that he was disappointed that staff got involved with the by-law amendment and stated that the resolution was self-serving. Mr. King added that the Agency did not really have budget cuts like other City departments because the Agency hired new people for high-paying positions. Mr. King stated his opposition to the by-law amendment.

President Sexton stated that staff was responding to her request for the cost savings information and it did not mean that staff promoted the by-law amendment or was involved in it and that was an incorrect perception. Ms. Sexton stated that there were legitimate budgetary concerns with the number of meetings the Commission conducted, and the proposal was not a personal request and was an outcome of an argument at a previous meeting where a meeting was cancelled because there was only one item calendared on the Agenda and thought that by proposing a by-law amendment, it would establish an official schedule for the Commission meetings. Ms. Sexton assuaged the public of its concerns that the Agency would not be able to accomplish its work in the various communities with just two meetings a month, and assured that the Agency would call weekly meetings if necessary to complete the community's agenda in the various project areas if calling weekly meetings was deemed necessary.

Commissioner Yee recalled that the Executive Director stated that staff estimated a cost savings of \$5,000 to \$6,000 a week and stated he believed that saving money was not the issue because the Agency's purpose was to serve the people of the City. Mr. Yee stated that he supported Commissioner King's sentiments on the issue and likewise was opposed to the by-law amendment. Mr. Yee asked if special meetings when called, would cost more than the regularly scheduled meetings.

Executive Director Rosen stated that there were regular costs associated with any meeting, whether it was a regularly scheduled meeting or a special

meeting. Such costs include public notices and mailing of notices, delivery services, security services, duplication costs and staff-related costs.

Commissioner Palamountain stated that the best way to serve the public was not to spend time, specifically 40 minutes, talking about the by-law amendment, and she was convinced that the Commission should only have two meetings a month. Ms. Palamountain suggested that Commissioners spend the extra Tuesdays to attend community meetings and walking the streets of the various communities that the Agency served.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, THAT ITEM 4 (b) RESOLUTION NO. 126-2003, AMENDING ARTICLE III, SECTION 31 OF THE BY-LAWS OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO TO ESTABLISH THE FIRST AND THIRD TUESDAYS OF EACH MONTH AS ITS REGULARLY SCHEDULED COMMISSION MEETINGS, BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop
Ms. Palamountain
Mr. Romero
Ms. Sexton

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Singh
Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (4) AYES, AND THREE (3) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT RESOLUTION NO. 126-2003 WAS ADOPTED.

- 4 (c) Resolution No. 127-2003, Commending and expressing appreciation to Dorothy J. Tanner for her services on the occasion of her retirement from the Redevelopment Agency if the City and County of San Francisco

Presenters: Ora Meacham (Agency staff)

Commissioner King put forth a motion to adopt item 4 (c) and thanked Ms. Dorothy Tanner for the long and dedicated service to the Agency, especially her leadership in the union.

Commissioner Palamountain seconded Commissioner King's motion and stated that she appreciated the time and hard work that Ms. Tanner had rendered to the Agency and wished her the best of luck and an enjoyable retirement.

Commissioner Dunlop thanked Ms. Dorothy Tanner and supported the high praise of her work on the Plaza Hotel and wished her good luck in her retirement.

Commissioner Romero expressed his personal congratulations to Ms. Dorothy Tanner for being a dedicated employee for many years and for being the past president of SEIU Local 790. Mr. Romero stated that leading a bargaining unit and caring for the welfare of colleagues was not an easy job and commended Ms. Tanner for her dedication and wished her good luck.

Commissioner Yee echoed his fellow Commissioners' remarks and commended Ms. Dorothy Tanner for her long service to the Agency. Mr. Yee congratulated Ms. Tanner and wished her good luck.

Commissioner Singh congratulated Ms. Dorothy Tanner on her retirement and thanked her for the wonderful work she had provided to the Agency.

President Sexton thanked Ms. Dorothy Tanner for her dedicated service to the Agency and wished her continued success in her retirement.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c) RESOLUTION NO. 127-2003, COMMENDING AND EXPRESSING APPRECIATION TO DOROTHY J. TANNER FOR HER SERVICES ON THE OCCASION OF HER RETIREMENT FROM THE REDEVELOPMENT AGENCY IF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

- 4 (d)** Resolution No. 128-2003, Authorizing execution of a renegotiated Memorandum of Agreement with the Service Employees International Union, SEIU Local 790 Bargaining Unit, for the period of July 1, 2003 through June 30, 2006

Presenters: Ora Meacham (Agency staff)

Speakers: Lily Louie

Commissioner Dunlop put forth a motion to adopt item 4 (d).

Commissioner Yee seconded Commissioner Dunlop's motion and asked how many members were in Local 790.

Ms. Ora Meacham, Human Resources Manager, stated that Local 790 represented 36% of the Agency staff, or 52 employees.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 128-2003, AUTHORIZING EXECUTION OF A RENEGOTIATED MEMORANDUM OF AGREEMENT WITH THE SERVICE EMPLOYEES INTERNATIONAL UNION, SEIU LOCAL 790 BARGAINING UNIT, FOR THE PERIOD OF JULY 1, 2003 THROUGH JUNE 30, 2006, BE ADOPTED.

- 4 (e) Resolution No. 129-2003, Authorizing a First Amendment to a Personal Services Contract with C.H. Elliott & Associates, a sole proprietor, to increase the contract amount by \$46,000 for an aggregate total amount not to exceed \$92,000 and to extend the term an additional 12 months to August 31, 2004, for real estate consulting services; Hunters Point Shipyard Redevelopment Project Area

Presenters: Don Capobres (Agency staff)

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 129-2003, AUTHORIZING A FIRST AMENDMENT TO A PERSONAL SERVICES CONTRACT WITH C.H. ELLIOTT & ASSOCIATES, A SOLE PROPRIETOR, TO INCREASE THE CONTRACT AMOUNT BY \$46,000 FOR AN AGGREGATE TOTAL AMOUNT NOT TO EXCEED \$92,000 AND TO EXTEND THE TERM AN ADDITIONAL 12 MONTHS TO AUGUST 31, 2004, FOR REAL ESTATE CONSULTING SERVICES; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (f) Resolution No. 130-2003, Authorizing a Personal Services Contract with Bayview Opera House, Inc., a California non-profit corporation, in an amount not to exceed \$20,000 for fiscal agent services and not to exceed \$180,000 for administrative support and operational services, for a total aggregate amount not to exceed \$200,000, for the Bayview Hunters Point Project Area Committee; Hunters Point Redevelopment Project Area, Bayview Hunters Point Redevelopment Survey Area

Presenters: Gaynell Armstrong (Agency staff)

Speakers: Johnnie Carter, Cedric Jackson, Angelo P. King

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 130-2003, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH BAYVIEW OPERA HOUSE, INC., A CALIFORNIA NON-PROFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$20,000 FOR FISCAL AGENT SERVICES AND NOT TO EXCEED \$180,000 FOR ADMINISTRATIVE SUPPORT AND OPERATIONAL SERVICES, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$200,000. FOR THE BAYVIEW HUNTERS POINT PROJECT AREA COMMITTEE; HUNTERS POINT REDEVELOPMENT PROJECT AREA, BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, BE ADOPTED.

- 4 (g) Resolution No. 131-2003, Authorizing a Second Amendment to the Landscape Architectural Agreement with Carter, Tighe, Leeming + Kajiwaro (CTLK) to increase the contract amount by \$350,000 for a total aggregate amount not to exceed \$726,890 for landscape architectural services for Jessie Square; Yerba Buena Center Redevelopment Project Area

Presenters: William Carney, Walter Yanagita (Agency staff)

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 131-2003, AUTHORIZING A SECOND AMENDMENT TO THE LANDSCAPE ARCHITECTURAL AGREEMENT WITH CARTER, TIGHE, LEEMING + KAJIWARA (CTLK) TO INCREASE THE CONTRACT AMOUNT BY \$350,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$726,890 FOR LANDSCAPE ARCHITECTURAL SERVICES FOR JESSIE SQUARE; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Mary Helen Rogers, Israel Toro

7. REPORT OF THE PRESIDENT

- President Sexton stated that she was reminded when the Commission earlier approved the Bayview Opera House contract for the Bayview Hunters Point PAC, and requested an update of the efforts to form an official community representative body in the Western Addition.
- President Sexton informed everyone that she had been attending the Saturday Farmers' Market at the Fillmore and noticed at the last Saturday (July 26th) that there were not as many vendors or farmers at the market and stated that it was important to have consistent numbers of farmers at the Saturday market to maintain the convenience for the community. Ms. Sexton asked staff to look into the matter.

8. REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Rosen assured President Sexton that staff would obtain more information on her queries and report back to the Commission.

- SB211 Ordinance was considered at the Board of Supervisors meeting earlier in the afternoon (July 28th) and on first reading, passed the Ordinance unanimously. The second reading of the Ordinance was scheduled for the following Tuesday, August 5th.
- State budget – as of the budget that was approved by the State Senate and pending before the State Assembly, there would be a \$250 million cut to redevelopment agencies statewide which would translate to a \$4.3 million cut for the San Francisco Redevelopment Agency. Because the Agency utilizes tax increment bond financing for most of its activities, the \$4.3 million cut would have supported approximately \$32 million worth of debt. The Agency budget recommended by the Commission and approved by the Board of Supervisors did not include money for the ERAF shift from the State budget. The Mayor's Budget Office will meet with Agency staff to determine whether amendments to the Agency's budget are necessary as a result of the State budget cuts. The good news about the State budget was that the \$250 million cut to redevelopment agencies statewide was a one-time shift and not a structural shift for subsequent years as earlier proposed by the Governor. Likewise the trailer legislation adopted with the State budget contained provisions that the one-time ERAF shift of tax increment dollars would not count against project area tax increment limits.

- Transbay Design for Development draft document to be presented at a public meeting on August 14th from 5:30 to 7:30 p.m. at the Forum in the Yerba Buena Gardens. The draft Design for Development was a product of three previous public workshops. A Commission workshop on the Design for Development would be scheduled following the public meeting on August 14th.
- AB812 was signed by the Governor. This legislation affects the right of the Joint Powers Authority to acquire and demolish the site for the new Transbay terminal and mandated that 35% of the housing developed in the project area be affordable. The Agency will work towards this goal to ensure an economically diverse, mixed-use residential neighborhood in the future.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Yee reiterated his earlier request for a tour of Mission Bay and the Hunters Point Shipyard and asked staff to make the arrangements.
- Commissioner Yee stated that it was not proper for Commissioners to make comments other than the Agenda matter being discussed by the Commission because that was a violation of Robert's Rules of Order and parliamentary procedures. Mr. Yee stated that Commissioner King's comments were appropriate because they were related to the by-law amendment proposed by the President. Mr. Yee asked the General Counsel if Commissioner King's statements were deemed as attacks on the President.

General Counsel James Morales responded that it was appropriate for the President herself to rule on this because it was not a technical and legal matter, but an interpretation of whether or not the rules of decorum of the Commission were violated. Such a matter was a judgment call for the President. Mr. Morales pointed out that Robert's Rules of Order did provide that members of an assembly should not personally attack or attribute personal motives to decisions and arguments that were made during the debate, but ultimately, it was a decision for the President. If the rest of the Commission disagreed with the President's ruling, they could challenge and overturn the ruling of the President.

- Commissioner Yee thanked the General Counsel for his response and stated that Commissioner King was simply stating the facts of the matter and not attacking the President.
- Commissioner King inquired about the status of Parcel 732-A and asked when the Commission would be briefed on the negotiations with the developer, because the Commission had not heard anything for a while.

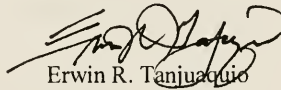
Executive Director Rosen informed the Commission that staff continued to meet with the developer and received its latest scheduled submission on July 23rd and staff would schedule a closed session briefing of the Commission on either August 19th or August 26th. Ms. Rosen pointed out that staff was following the prescribed schedule on the exclusive negotiations agreement approved by the Commission.

10. **CLOSED SESSION:** None.

11. **ADJOURNMENT**

It was moved by Mr. Romero, seconded by Mr. Dunlop, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:09 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

August 19, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF AUGUST 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 19th day of August 2003, at the place and date duly established for holding of such a meeting.

President Michelle W. Sexton called the meeting to order at 4:05 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Michelle W. Sexton, President
Ramon E. Romero, Vice-President
Mark Dunlop
Leroy King
Kathryn C. Palamountain (arrived @ 4:09 p.m.)
Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meetings of July 22 and 29, 2003

- 4 (b) Resolution No. 132-2003, Authorizing a Personal Services Contract with Northern Real Estate, LLC, a California limited liability company, in an amount not to exceed \$5,000 for a term not to exceed 60 days, to finalize the Community Benefits Plan report to the Hunters Point Shipyard Citizens Advisory Committee; Hunters Point Shipyard Redevelopment Project Area

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. PALAMOUNTAIN ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETINGS OF JULY 22 AND 29, 2003, AND 4 (b) RESOLUTION NO. 132-2003, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH NORTHERN REAL ESTATE, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, IN AN AMOUNT NOT TO EXCEED \$5,000 FOR A TERM NOT TO EXCEED 60 DAYS, TO FINALIZE THE COMMUNITY BENEFITS PLAN REPORT TO THE HUNTERS POINT SHIPYARD CITIZENS ADVISORY COMMITTEE; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

- 4 (c) Resolution No. 133-2003, Authorizing a First Amendment to a Personal Services Contract with EDAW Inc., a California corporation, to revise the scope of services and to increase the budget by \$993,121 to a total amount not to exceed \$2,231,086, and Authorizing the Executive Director to expend up to \$90,000 for additional services; Rincon Point-South Beach Redevelopment Project Area

Presenters: Amy Neches (Agency staff)

Speakers: Herb Meyer, Bob Bennett, Jeffrey Leibovitz, Shelley Carroll, Marilyn Z. Smith, Rick Dickerson, Nick Tarlson, Andrew Brooks, Michael Sweet, Barbara Oleary

Commissioner Yee stated that he had the great honor of being accompanied by the Agency's top staff at a tour of the South Beach Harbor and thanked Executive Director Marcia Rosen, Amy Neches and Tracie Reynolds for a wonderful tour. Mr. Yee stated that the hour and half tour was informative and instructive and that upon physical inspection of the harbor area, it was obvious that it needed improvements to correct the bad structural conditions. Mr. Yee added that the ramps along Pier 40 needed to be replaced and made compliant with the ADA requirements to provide handicap accessibility. Mr. Yee stated that he had been at the Harbormaster's office before and had seen the beautiful children's playground, but the area was in need of the

improvements recommended by staff and stated his support for the project. Mr. Yee put forth a motion to adopt item 4 (c).

Commissioner Dunlop seconded Commissioner Yee's motion and thanked Amy Neches for her hard work. Mr. Dunlop stated that he was pleased to see the green space included in the project and was impressed with the high level of public participation in the project and thanked the public for coming to the meeting.

Commissioner Romero stated his continued support for the project and thanked the Rincon Point – South Beach Citizens' Advisory Committee for the hard work and complimented them for doing a good job. Mr. Romero thanked all of the sailing organizations that participated as well as members of the public who came to the meeting.

Commissioner King thanked Amy Neches for a tour she gave of Mission Bay the previous week. Mr. King stated that we was pleased with the public participation and the consultants' diversity, but noted that the residents could be more diverse.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c) RESOLUTION NO. 133-2003, AUTHORIZING A FIRST AMENDMENT TO A PERSONAL SERVICES CONTRACT WITH ED AW INC., A CALIFORNIA CORPORATION, TO REVISE THE SCOPE OF SERVICES AND TO INCREASE THE BUDGET BY \$993,121 TO A TOTAL AMOUNT NOT TO EXCEED \$2,231,086, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXPEND UP TO \$90,000 FOR ADDITIONAL SERVICES; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (d) Resolution No. 134-2003, Public hearing and Authorizing execution of a sublease with South Beach Yacht Club, a California nonprofit mutual benefit corporation, for space in the proposed harbor services building in South Beach Harbor, with an initial 10-year term, with two five-year extension options; Rincon Point-South Beach Redevelopment Project Area

Presenters: Amy Neches/Tracie Reynolds (Agency staff)

Speakers: Frank Navarro, Peter Hamm, Lorianna Kastrop, Ed Gallagher, Helen Fowler, Herb Meyer, Bob Bennett, Regina Birkner, Rick Dickerson, Michael Denman, Jennifer Jackson, Kathi Pugh, Cynthia Laberge

Commissioner Palamountain thanked staff for the well-documented market analysis for the sublease of the yacht club and stated that she appreciated the benefit of having a long-term tenant at South Beach Harbor. Ms. Palamountain stated that she supported the proposed sublease because of the yacht club's open membership policy and its openness to non-members and the continued demonstrated commitment to the community. Ms. Palamountain complimented the yacht club on its good programs benefiting youth, handicapped people, and environmental groups including the Save the Bay organization. Ms. Palamountain stated that the yacht club continued to maintain a good track record and put forth a motion to adopt item 4 (d).

Commissioner Singh seconded Commissioner Palamountain's motion and stated that he was glad to hear that the Agency's projects made people happy, including helping handicapped people enjoy the bay. Mr. Singh inquired about the accessibility of the yacht club and stated that the Agency could provide more funds to the project if necessary.

Ms. Amy Neches, Senior Project Manager, stated that the building would be fully accessible and would include talking signs and informed the Commission that staff was working with the Mayor's disability office.

Commissioner Yee stated that the harbor services building was a wonderful project and that the South Beach Yacht Club was a well-established organization and that he was supportive of the project. Mr. Yee asked if staff gave consideration to increasing the rent within the first five years of the lease instead of the sixth year.

Ms. Tracie Reynolds, Development Services Manager, stated that the proposed lease was in conformance with and similar to other Port subleases and that the rent increase on the sixth year would be cumulative.

Commissioner Yee stated that he understood that the lease was for a good cause, but pointed out that \$1.65 per square foot rent without an increase for the first five years was a really good deal. Mr. Yee asked if there was any deposit required for the proposed sublease and inquired about insurance coverage for the yacht club.

Ms. Tracie Reynolds stated that the yacht club was required to provide a one-month rent deposit.

Mr. James Nybakken, Administrative Services Manager, informed the Commission that the yacht club would have the standard insurance coverage including general and automobile liability, boating liability, property damage and personal property insurance. The general liability insurance would be for one million dollars.

President Sexton thanked Amy Neches and Tracie Reynolds for their hard work on a wonderful project. Ms. Sexton thanked the Citizens' Advisory Committee and the public for coming to the meeting.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 134-2003, PUBLIC HEARING AND AUTHORIZING EXECUTION OF A SUBLEASE WITH SOUTH BEACH YACHT CLUB, A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION, FOR SPACE IN THE PROPOSED HARBOR SERVICES BUILDING IN SOUTH BEACH HARBOR, WITH AN INITIAL 10-YEAR TERM, WITH TWO FIVE-YEAR EXTENSION OPTIONS; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (e) and (f) were presented together and acted upon separately.

- 4 (e)** Resolution No. 135-2003, Authorizing a First Amendment to the Owner Participation Agreement with 48 Colin Kelly, LLC, a California limited liability company, successor in interest to Northshore Resources IV, LP, to amend the schedule of performance, scope of development, and incorporate other minor changes to reflect the new ownership of Site H-2; Rincon Point-South Beach Redevelopment Project Area
- 4 (f)** Resolution No. 136-2003, Conditionally approving the schematic design for the retention and rehabilitation of a historic building (48 Colin P. Kelly, Jr. Street) by 48 Colin Kelly, LLC for the development on Block 3789, Lot 10, Site H-2; Rincon Point-South Beach Redevelopment Project Area

Presenters: Guy Hollins, Walter Yanagita (Agency staff)

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 135-2003, AUTHORIZING A FIRST AMENDMENT TO THE OWNER PARTICIPATION AGREEMENT WITH 48 COLIN KELLY, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, SUCCESSOR IN INTEREST TO NORTSHORE RESOURCES IV, LP, TO AMEND THE SCHEDULE OF PERFORMANCE, SCOPE OF DEVELOPMENT, AND INCORPORATE OTHER MINOR CHANGES TO REFLECT THE NEW OWNERSHIP OF SITE H-2; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 136-2003, CONDITIONALLY APPROVING THE SCHEMATIC DESIGN FOR THE RETENTION AND REHABILITATION OF A HISTORIC BUILDING (48 COLIN P. KELLY, JR. STREET) BY 48 COLIN KELLY, LLC FOR THE DEVELOPMENT ON BLOCK 3789, LOT 10, SITE H-2; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (g) Resolution No. 137-2003, Authorizing an extension of the plan adoption consultant panel from September 30, 2003 to June 30, 2004 to continue work on plan adoptions and plan amendments; all Redevelopment Survey Areas and Redevelopment Project Areas

Presenters: Jose Campos (Agency staff)

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 137-2003, AUTHORIZING AN EXTENSION OF THE PLAN ADOPTION CONSULTANT PANEL FROM SEPTEMBER 30, 2003 TO JUNE 30, 2004 TO CONTINUE WORK ON PLAN ADOPTIONS AND PLAN AMENDMENTS; ALL REDEVELOPMENT SURVEY AREAS AND REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

- 4 (h) Resolution No. 138-2003, Approving an amendment to the Agency's Purchasing Policy and Procedures to extend the Executive Director's expenditure authority for contracts from \$20,000 to \$50,000 on a permanent basis; all Redevelopment Project Areas

Presenters: Chris Iglesias (Agency staff)

Commissioner King stated his support for the purchasing policy amendment and congratulated the Working Group and thanked Ms. Aileen Hernandez for her hard work. Mr. King put forth a motion to adopt item 4 (h).

Commissioner Palamountain thanked the Working Group as well Commissioners King and Singh for their dedication and representing the Commission. Ms. Palamountain seconded Commissioner King's motion.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (h) RESOLUTION NO. 138-2003, APPROVING AN AMENDMENT TO THE AGENCY'S PURCHASING POLICY AND PROCEDURES TO EXTEND THE EXECUTIVE DIRECTOR'S EXPENDITURE AUTHORITY FOR CONTRACTS FROM \$20,000 TO \$50,000 ON A PERMANENT BASIS; ALL REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Mary Helen Rogers, Doris M. Vincent

7. REPORT OF THE PRESIDENT

8. REPORT OF THE EXECUTIVE DIRECTOR

- The South Beach children's play area, South Beach Harbor and Rincon Park to receive an award from San Francisco Beautiful at their annual dinner on October 30th. Details of the event would be sent to the Commission.
- State Budget – the State Senate passed the Assembly version (SB 1045) of the budget with \$135 million cut instead of the Senate version with \$250 million cut statewide. The lower amount would result in approximately \$2.5 million cut for San Francisco.
- Western Addition community meeting on August 28th from 6:00 to 8:00 p.m. in the West Bay Conference Center (corner of Eddy and Fillmore Streets), and would include further discussion of the proposed plan amendment.
- Fillmore Fridays kickoff – 10 weeks of outdoor jazz concerts and cinemas from August 29th through October 31st. The premiere series kickoff on August 29th will include the film, "A Great Day in Harlem" followed by a live concert with the Marcus Shelby Jazz Orchestra.

- Fillmore Farmer's Market every Saturday from 8:30 a.m. to 1:00 p.m. on Parcel 732-A at the corner of Eddy and Fillmore Street.
- First annual Labor Day Festival on September 1st from 11:00 a.m. to 5:00 p.m. at the Yerba Buena Gardens. The event is co-sponsored by the California Historical Society, San Francisco State University, San Francisco Labor Council and the Yerba Buena Festival.
- Draft Transbay Design for Development document was presented at a community meeting on August 14th. There will be another meeting on August 27th at the Yerba Buena Center for the Arts and a Commission workshop scheduled for September 16th.
- Joint public hearing with the City Planning Commission to certify the Mid-Market Environmental Impact Report on Thursday, September 18th at 1:00 p.m. in the Board of Supervisors' chambers.
- An event celebrating Fannie Mae's commitment to affordable housing will be held on August 26th at 10:00 a.m. with Mayor Willie L. Brown, Jr. as the special guest.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Palamountain recalled earlier discussion about upcoming plan adoptions and amendments for various survey and project areas and requested that the Commission receive the draft documents as early as possible to allow sufficient time to review the voluminous reports.
- Commissioner Palamountain announced a bone marrow drive on September 3rd from 10:00 a.m. to 1:00 p.m. at the Federal Building, 450 Golden Gate Avenue on the second floor. The Leukemia Lymphoma Society is sponsoring the bone marrow drive in the name of Julian Messey, a 20-month old boy diagnosed with leukemia in July and is awaiting a bone marrow match for a transplant that he has to undergo. Ms. Palamountain asked the public to consider being typed for a bone marrow match and to stop by at the Federal building on September 3rd.

10. CLOSED SESSION:

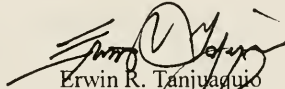
- (a) Pursuant to Government § Section 54956.9(a): Conference with Legal Counsel regarding litigation: Song, et al. v. Jin Construction and Electric Co., et al., U.S. District Court Case Number: C 03 2580 SI

- (b) Pursuant to Government Code 54956.9(b): Conference with Legal Counsel regarding anticipated litigation: one potential case.
- (c) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators regarding conveyance of Hunters Point Naval Shipyard; Hunters Point Shipyard Redevelopment Project Area. Agency/City Negotiators: Marcia Rosen, Joanne Sakai, Leamon J. Abrams, Don Capobres, Jesse Blout and Michael Cohen.

11. ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:00 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

August 26, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF AUGUST 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 26th day of August 2003, at the place and date duly established for holding of such a meeting.

President Michelle W. Sexton called the meeting to order at 4:00 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Michelle W. Sexton, President
Ramon E. Romero, Vice-President
Mark Dunlop
Leroy King
Kathryn C. Palamountain
Darshan Singh
Benny Y. Yee (arrived @ 4:11 p.m. and departed @ 5:55 p.m.)

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Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of August 19, 2003

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF AUGUST 19, 2003, BE ADOPTED.

REGULAR AGENDA

- 4 (b) Resolution No. 139-2003, Authorizing a Personal Services Contract with KTB Realty Partners, Inc., a California corporation, d.b.a. KTB Management Group, for property management of Yerba Buena Gardens for an initial term of 34 months, for a monthly management fee of \$9,200, with an Agency option to extend the contract for one additional 36-month period, with a 5% increase in the monthly management fee, for a total aggregate amount of \$660,560, subject to appropriation of funds; Yerba Buena Center Redevelopment Project Area

Presenters: Cathy Pickering (Agency staff), Mary McCue (KTB)

Commissioner Singh shared that he was at the Yerba Buena Gardens the previous weekend and stated that he was impressed with the wonderful job that KTB was doing in maintaining the Gardens. Mr. Singh put forth a motion to adopt item 4 (b).

Commissioner Dunlop thanked Ms. McCue for her kind comments about Agency staff and Commissioners. Mr. Dunlop seconded Commissioner Singh's motion to adopt item 4 (b) and thanked KTB for the hard work on maintaining the Yerba Buena Gardens. Mr. Dunlop added that he was always proud to bring visitors to the Gardens to showcase the pristine maintenance of the Gardens with the added bonus that a woman-owned firm was responsible for maintaining the Gardens.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (b) RESOLUTION NO. 139-2003, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH KTB REALTY PARTNERS, INC., A CALIFORNIA CORPORATION, D.B.A. KTB MANAGEMENT GROUP, FOR PROPERTY MANAGEMENT OF YERBA BUENA GARDENS FOR AN INITIAL TERM OF 34 MONTHS, FOR A MONTHLY MANAGEMENT FEE OF \$9,200, WITH AN AGENCY OPTION TO EXTEND THE CONTRACT FOR ONE ADDITIONAL 36-MONTH PERIOD, WITH A 5% INCREASE IN THE MONTHLY MANAGEMENT FEE, FOR A TOTAL AGGREGATE AMOUNT OF \$660,560, SUBJECT TO APPROPRIATION OF FUNDS; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (c) Resolution No. 140-2003, Authorizing a First Amendment to the Regulatory and Grant Agreement to increase the grant amount by \$494,871 for a total aggregate amount not to exceed \$4,381,735, with Jordan Housing Corporation, a California nonprofit public benefit corporation, in conjunction with the acquisition and rehabilitation of 55 very low-income rental units at the Jordan Apartments, 820 O'Farrell Street; Citywide Tax Increment Housing Program

Presenters: Michele Davis (Agency staff)

Speakers: Mary Helen Rogers

Commissioner Dunlop thanked staff the comprehensive memorandum, which detailed the expenses for the project and put forth a motion to adopt item 4 (c).

Commissioner Palamountain seconded Commissioner Dunlop's motion to adopt item 4 (c) and asked staff when it normally consulted with the Mayor's Disability office assuming that staff was not able to consult prior to securing the MHP funds for the project.

Ms. Michele Davis, Development Specialist, affirmed that staff did not have time to consult with the Mayor's Disability office due to the time constraints in securing the funds for the project and added that staff had the best interest of the Commission and the City in financing the project.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c), RESOLUTION NO. 140-2003, AUTHORIZING A FIRST AMENDMENT TO THE REGULATORY AND GRANT AGREEMENT TO INCREASE THE GRANT AMOUNT BY \$494,871 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$4,381,735, WITH JORDAN HOUSING CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN CONJUNCTION WITH THE ACQUISITION AND REHABILITATION OF 55 VERY LOW-INCOME RENTAL UNITS AT THE JORDAN APARTMENTS, 820 O'FARRELL STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- 4 (d) Resolution No. 141-2003, Authorizing a First Amendment to the Memorandum of Agreement with the San Francisco Redevelopment Employee Association Professional/ Technical Bargaining Unit

Presenters: Ora Meacham (Agency staff)

Commissioner Palamountain put forth a motion to adopt item 4 (d) and thanked Ms. Sean Spear and Ms. Bettye Webb for their hard work.

Commissioner Dunlop seconded Commissioner Palamountain's motion to adopt item 4 (d) and echoed her sentiments.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 141-2003, AUTHORIZING A FIRST AMENDMENT TO THE MEMORANDUM OF AGREEMENT WITH THE SAN FRANCISCO REDEVELOPMENT EMPLOYEE ASSOCIATION PROFESSIONAL/ TECHNICAL BARGAINING UNIT, BE ADOPTED.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Mary Helen Rogers

At 4:15 p.m., the Commission recessed to convene Closed Session item 10 (a).

10. **CLOSED SESSION:** (convened at 4:20 p.m.)

- (a) Pursuant to Government Code § 54956.8, to instruct the Agency's real property negotiators with respect to the following property: Parcel EB-2A, located at the southeast corner of Third and Mission Streets in the Yerba Buena Center Redevelopment Project Area. Agency negotiators: Marcia Rosen, Leamon J. Abrams, William Carney, Tracie Reynolds and Judy Eng.

At 5:50 p.m., the Commission reconvened to consider the remaining items on the regular Agenda.

7. **REPORT OF THE PRESIDENT**

- President Sexton called Mrs. Mary Helen Rogers to the podium to be presented a Certificate of Appreciation from the Black American Political Association of California.

Reverend Ted Frazier, Vice-President of the Black American Political Association of California presented a Certificate of Appreciation to Mary Helen Rogers for her significant contribution to the African-American community, in particular her work on the 2003 Juneteenth Festival.

- President Sexton requested that the Commission meeting be adjourned in memory of Mrs. Tracy Grice who tragically passed away after a long illness. Mrs. Grice is the mother of Ms. Latonya Grice, proprietor of Jaz'z Salon and Boutique on Fillmore Street.
- President Sexton expressed birthday wishes to her brother Michael.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen wished President Sexton a belated Happy Birthday and wished Commissioner Leroy King an advanced Happy Birthday.
- Rededication ceremony for Marlton Manor on September 4th from 11:00 a.m. to 1:00 p.m. at 240 Jones Street.
- Community meetings on the affordable senior housing for the Central Freeway parcels: (1) Parcel A, Saturday September 6th from 9:00 a.m. to 1:00 p.m., and (2) parcel C, Saturday September 13th from 9:00 a.m. to 1:00 p.m., both to be held at the Cathedral Hill Hotel, 1101 Van Ness Avenue and refreshments would be served. For more information, the public could contact Shirley Wysinger, Senior Project Manager for Western Addition A-2 at 749-2505, and Kate Hartley, Development Specialist at 749-2567.
- Fillmore Fridays kickoff – 10 weeks of outdoor jazz concerts and cinemas from August 29th through October 31st. The premiere series kickoff on August 29th will include the film, “A Great Day in Harlem” followed by a live concert with the Marcus Shelby Jazz Orchestra.
- First annual Labor Day Festival on September 1st from 11:00 a.m. to 5:00 p.m. at the Yerba Buena Gardens. The event is co-sponsored by the California Historical Society, San Francisco State University, San Francisco Labor Council and the Yerba Buena Festival.
- Joint public hearing with the City Planning Commission to consider certification of the Mid-Market Environmental Impact Report on Thursday, September 18th at 1:00 p.m. in the Board of Supervisors’ chambers.

9. COMMISSIONERS’ QUESTIONS AND MATTERS None.

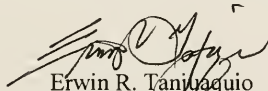
10. CLOSED SESSION:

- (b) Pursuant to Government Code § 54956.9(b): Conference with Legal Counsel regarding anticipated litigation: one potential case.
- (c) Pursuant to Government Code § 54956.9(a): Conference with Legal Counsel regarding existing litigation: Redevelopment Agency of the City and County of San Francisco v. Sarah Benton, et al., San Francisco Superior Court Case No. CGC 02-407994
- (d) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators with respect to price and terms of payment. The property is Agency parcel 732-A located on Fillmore Street, between Ellis and Eddy Streets, Western Addition Redevelopment Project Area A-2 and the party with whom the Agency may negotiate is Fillmore Development Associates. Agency negotiators: Marcia Rosen, Joanne Sakai, Leamon J. Abrams, Tracie Reynolds, Shirley Wysinger and Ricky Tijani.

11. ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:31 p.m. The August 26, 2003 Commission meeting was adjourned in memory of Mrs. Tracy Grice.

Respectfully submitted,



Erwin R. Taniguchi
Agency Secretary

APPROVED:

September 16, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF SEPTEMBER 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 16th day of September 2003, at the place and date duly established for holding of such a meeting.

President Michelle W. Sexton called the meeting to order at 4:00 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Michelle W. Sexton, President
Ramon E. Romero, Vice-President
Mark Dunlop
Leroy King
Kathryn C. Palamountain
Darshan Singh

And the following were absent:

Benny Y. Yee

Marcia Rosen, Executive Director and staff members were also present.

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2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a) Approval of Minutes: Meeting of August 26, 2003
- 4 (b) Resolution No. 142-2003, Authorizing a Second Amendment to the Ground Lease with Namiki Apartments limited partnership, a California limited partnership, to revise the schedule of performance for the rehabilitation of the Namiki Apartments, 1776 Sutter Street in the Western Addition Redevelopment Project Area A-2, all as part of the Agency's Housing Preservation Program; Citywide Tax Increment Housing Program
- 4 (c) Resolution No. 143-2003, Authorizing a Third Amended and Restated Exclusive Negotiations Agreement with Fillmore Development Associates, LLC, a California limited liability company, to extend the date for Agency approval of the basic concept design/schematic drawings, and to establish a date for consideration of a term sheet for the disposition and development of Agency Parcel 732-A, located at the northeast corner of Fillmore and Eddy Streets; Western Addition Redevelopment Project Area A-2
- 4 (d) Resolution No. 144-2003, Authorizing a First Amendment to an Exclusive Negotiations Agreement with San Francisco Housing Development Corporation, a California nonprofit public benefit corporation, leading to a long term ground lease of 4800 Third Street, within the Bayview Hunters Point Redevelopment Survey Area, in conjunction with the development of very low and low income rental housing and ground floor commercial space; Citywide Tax Increment Housing Program

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF AUGUST 26, 2003, 4 (b) RESOLUTION NO. 142-2003, AUTHORIZING A SECOND AMENDMENT TO THE GROUND LEASE WITH NAMIKI APARTMENTS LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP, TO REVISE THE SCHEDULE OF PERFORMANCE FOR THE REHABILITATION OF THE NAMIKI APARTMENTS, 1776 SUTTER STREET IN THE WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, ALL AS PART OF THE AGENCY'S HOUSING PRESERVATION PROGRAM; CITYWIDE TAX INCREMENT HOUSING PROGRAM, 4 (c) RESOLUTION NO. 143-2003, AUTHORIZING A THIRD AMENDED AND RESTATED EXCLUSIVE NEGOTIATIONS AGREEMENT WITH FILLMORE DEVELOPMENT ASSOCIATES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO EXTEND THE DATE FOR AGENCY APPROVAL OF THE BASIC CONCEPT DESIGN/SCHEMATIC DRAWINGS, AND TO ESTABLISH A DATE FOR CONSIDERATION OF A TERM SHEET FOR THE DISPOSITION AND DEVELOPMENT

OF AGENCY PARCEL 732-A, LOCATED AT THE NORTHEAST CORNER OF FILLMORE AND EDDY STREETS; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, AND 4 (d) RESOLUTION NO. 144-2003, AUTHORIZING A FIRST AMENDMENT TO AN EXCLUSIVE NEGOTIATIONS AGREEMENT WITH SAN FRANCISCO HOUSING DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, LEADING TO A LONG TERM GROUND LEASE OF 4800 THIRD STREET, WITHIN THE BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, IN CONJUNCTION WITH THE DEVELOPMENT OF VERY LOW AND LOW INCOME RENTAL HOUSING AND GROUND FLOOR COMMERCIAL SPACE; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

REGULAR AGENDA

- 4 (e) Resolution No. 145-2003, Authorizing a Fourth Amendment to the Disposition and Development Agreement with SF Museum Tower LLC, a Delaware limited liability company, to extend the performance schedule and revise other requirements for development of Parcel EB-2A, located at the southeast corner of Third and Mission Streets; Yerba Buena Center Approved Redevelopment Project Area

Presenters: William Carney (Agency staff)

Commissioner King put forth a motion to adopt item 4 (e) and recognized the hard work of Agency staff and the developer in negotiating the agreement especially during bad economic times. Mr. King stated that he hoped that the Commission would approve the Fourth Amendment to the Disposition and Development Agreement with SF Museum Tower.

Commissioner Dunlop seconded Commissioner King's motion and thanked staff for successfully negotiating the agreement and acknowledged the difficult situation with the economic times.

Commissioner Palamountain referred to the third amendment approved last year where the developer agreed to pay \$1.3 million in in-lieu tax compensations and asked if the new payments under the fourth amendment were in addition to the obligations in the third amendment of the DDA. Ms. Palamountain requested verification that the fourth amendment was not a superseding amendment and asked if late payment fees would be paid should the scheduled completion date not be met.

Mr. William Carney, Senior Project Manager, affirmed that the new payments under the fourth amendment would be paid under the revised performance schedule. Mr. Carney stated that the fourth amendment was not a superseding amendment and that late payment fees would be paid according the new performance schedule.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 145-2003, AUTHORIZING A FOURTH AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH SF MUSEUM TOWER LLC, A DELAWARE LIMITED LIABILITY COMPANY, TO EXTEND THE PERFORMANCE SCHEDULE AND REVISE OTHER REQUIREMENTS FOR DEVELOPMENT OF PARCEL EB-2A, LOCATED AT THE SOUTHEAST CORNER OF THIRD AND MISSION STREETS; YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (f) through (h) were presented together and acted upon separately.

- 4 (f) Resolution No. 146-2003, Authorizing a Housing Opportunities for Persons With AIDS Capital Loan Agreement with Mercy Housing West, a California nonprofit public benefit corporation, in an amount not to exceed one million dollars (\$1,000,000) in conjunction with the development of 139 units of very low income senior rental housing at the Mission Creek Senior Community, 201 Berry Street; Mission Bay North Redevelopment Project Area
- 4 (g) Resolution No. 147-2003, Authorizing a Community Development Block Grant Capital Loan Agreement with Mercy Housing California, XX, a California limited partnership, in an amount not to exceed three hundred sixty thousand dollars (\$360,000) in conjunction with the development of 139 units of very low income senior rental housing at the Mission Creek Senior Community, 201 Berry Street; Mission Bay North Redevelopment Project Area
- 4 (h) Resolution No. 148-2003, Authorizing two Tax Increment Capital Loan Agreements, one in an amount not to exceed seventeen million forty thousand four hundred twenty nine dollars (\$17,040,429), and another in an amount not to exceed four hundred fifty one thousand sixty nine dollars (\$451,069), with Mercy Housing California, XX, a California limited partnership, in conjunction with the development of 139 units of very low income senior rental housing at the Mission Creek Senior Community, 201 Berry Street; Mission Bay North Redevelopment Project Area

Presenters: Pam Sims (Agency staff), Valerie Agostino (Mercy Housing), Elizabeth Boardman (SOM Adult Day Health), Marilyn Thompson (SF Library)

Speakers: Corinne Woods, Mary Helen Rogers

Commissioner Dunlop put forth a motion to adopt item 4 (f) and stated he was very pleased to see housing for seniors with AIDS included in the development because there was an increasing population of seniors living with AIDS that needed affordable housing. Mr. Dunlop stated that the Mission Creek Community project was a wonderful project and should become a model for more units to come. Mr. Dunlop asked how many people would be served by the adult day care facility.

Ms. Pam Sims, Development Specialist, stated that adult day care would provide first priority for residents of the project and that the facility could accommodate between 60 and 80 individuals.

Commissioner Palamountain seconded Commissioner Dunlop's motion to adopt item 4 (f). Ms. Palamountain responded to Mrs. Mary Rogers' statements that the development seemed very expensive and explained that the high costs was attributed to the building's design to serve frail elderly residents.

President Sexton stated that she was familiar with the housing project and was very supportive of the important project.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 146-2003, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS CAPITAL LOAN AGREEMENT WITH MERCY HOUSING WEST, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED ONE MILLION DOLLARS (\$1,000,000) IN CONJUNCTION WITH THE DEVELOPMENT OF 139 UNITS OF VERY LOW INCOME SENIOR RENTAL HOUSING AT THE MISSION CREEK SENIOR COMMUNITY, 201 BERRY STREET; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 147-2003, AUTHORIZING A COMMUNITY DEVELOPMENT BLOCK GRANT CAPITAL LOAN AGREEMENT WITH MERCY HOUSING CALIFORNIA, XX, A CALIFORNIA LIMITED PARTNERSHIP, IN AN AMOUNT NOT TO EXCEED THREE HUNDRED SIXTY THOUSAND

DOLLARS (\$360,000) IN CONJUNCTION WITH THE DEVELOPMENT OF 139 UNITS OF VERY LOW INCOME SENIOR RENTAL HOUSING AT THE MISSION CREEK SENIOR COMMUNITY, 201 BERRY STREET; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT), THAT ITEM 4 (h) RESOLUTION NO. 148-2003, AUTHORIZING TWO TAX INCREMENT CAPITAL LOAN AGREEMENTS, ONE IN AN AMOUNT NOT TO EXCEED SEVENTEEN MILLION FORTY THOUSAND FOUR HUNDRED TWENTY NINE DOLLARS (\$17,040,429), AND ANOTHER IN AN AMOUNT NOT TO EXCEED FOUR HUNDRED FIFTY ONE THOUSAND SIXTY NINE DOLLARS (\$451,069), WITH MERCY HOUSING CALIFORNIA, XX, A CALIFORNIA LIMITED PARTNERSHIP, IN CONJUNCTION WITH THE DEVELOPMENT OF 139 UNITS OF VERY LOW INCOME SENIOR RENTAL HOUSING AT THE MISSION CREEK SENIOR COMMUNITY, 201 BERRY STREET; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (i) Resolution No. 149-2003, Authorizing a Second Amendment to the Tax Increment Affordable Housing Program Loan Agreement with 32-40 6th Street, LLC, a California limited liability company, to increase the loan amount by \$855,991, for a total aggregate amount not to exceed \$998,776 and to revise the schedule of performance for the rehabilitation of the Seneca Hotel, 32-40 Sixth Street; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Jeff White (Agency staff)

Speakers: Diane Burke, Ana Bolton-Arguello, James Rourke, Deforest Woods, Antoinetta Stadlman, Delphine Brody, Eddie Iglesias, Earl Brown, Lucinda Douglas, Sean Carroll, James Rouske

Commissioner Romero thanked the tenants for coming to the meeting and shared his own experience of living in a room without a kitchen for 18 months and how important it was to have cooking facilities. Mr. Romero stated that affordable housing projects such as the Seneca Hotel made him feel good about the Agency's work especially when there was a direct effect on the tenants. Mr. Romero stated his support for the project and put forth a motion to adopt item 4 (i).

Commissioner Dunlop thanked the tenants for coming to the meeting and stated that their attendance helped the Commission to make informed decisions about the Agency's work. Mr. Dunlop stated that there had been a question regarding the proposed retail space at the Seneca Hotel and asked if the Agency would be assisting in renting the two proposed retail spaces.

Mr. Jeff White, Development Specialist, stated that the Agency would not be paying for any of the tenant improvements for the retail space once they are leased. Mr. White added that Urban Solutions was assisting efforts to lease the smaller, 400-square foot space, to a café.

Commissioner Dunlop stated that there had been an ongoing debate about the merits of the master lease program, but that everyone deserves decent and affordable housing and since the Agency had the funds available, it was an appropriate use to promote long-term affordable housing, particularly when the public funds would be used to improve the residential spaces and enhance the quality of life of the tenants. Mr. Dunlop seconded Commissioner Romero's motion to adopt item 4 (i).

Commissioner Palamountain asked if the improvements to the commercial spaces were tied to the loan and if there was a promise to pay from the owner and if so, whether the promise to pay is enforceable.

Mr. White stated that the Agency had the right to approve the plans for improvements to the commercial spaces as a condition of the construction loan, but there was no commitment from the owners to actually to build and pay for the improvements after the commercial spaces were leased.

Commissioner Palamountain inquired about the Six on Sixth façade improvement program funded through Urban Solutions and asked if the Agency provided funds to Urban Solutions for the Six on Sixth program. Ms. Palamountain requested verification that the funding to Urban Solutions originated with the Agency.

Mr. White responded that program worked as a matching program where the Agency provided up to \$9,500 that the owner had to match dollar for dollar, and that the funding for the program originated with the Agency.

Commissioner Palamountain referred to the Commission memorandum, which stated that staff had come to the conclusion that it was the owner's responsibility to keep the elevator in good working order under the master lease agreement, and asked if there had been any efforts to enforce that part of the master lease agreement. Ms. Palamountain asked what the rationale was for the Agency to fund repairs to the elevator when the owner was already obligated under the master lease agreement with the City.

Mr. White stated that under the master lease, the owner was responsible for repairs of \$5,000 and more, and in the past two years, the owner had spent over \$50,000 on multiple repairs of the elevator, which had been in chronic disrepair. Mr. White explained that Agency funds for the elevator were for use in improving the quality of life for the residents.

Commissioner Palamountain stated that she respectfully disagreed with her fellow Commissioners in their support of the project, but she did not see the justification for the Agency to fund quality of life improvements on the building when the owner was already obligated under the master lease with the City to pay for such improvements. Ms. Palamountain stated that she agreed that the residents were entitled to a higher quality of life, but did not support the use of Agency funds.

President Sexton requested verification that there would be bicycle storage in the building and asked if the proposed community kitchen and the laundry facility would be large enough to accommodate the needs of 200 residents.

Mr. White affirmed that there would be bicycle storage provided and that the size of the community kitchen and laundry facility resulted from results of tenant surveys.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, THAT ITEM 4 (i) RESOLUTION NO. 149-2003, AUTHORIZING A SECOND AMENDMENT TO THE TAX INCREMENT AFFORDABLE HOUSING PROGRAM LOAN AGREEMENT WITH 32-40 6TH STREET, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO INCREASE THE LOAN AMOUNT BY \$855,991, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$998,776 AND TO REVISE THE SCHEDULE OF PERFORMANCE FOR THE REHABILITATION OF THE SENECA HOTEL, 32-40 SIXTH STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop
Mr. King
Mr. Romero
Mr. Singh
Ms. Sexton

AND THE FOLLOWING VOTED "NAY":

Ms. Palamountain

AND THE FOLLOWING WERE ABSENT:

Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES, ONE (1) NAY AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED AND RESOLUTION NO. 149-2003 WAS ADOPTED.

- 4 (j) Resolution No. 150-2003, Authorizing a First Amendment to an Amended and Restated Tax Increment Affordable Housing Program Loan Agreement with Public Initiatives Development Corporation, a California nonprofit public benefit corporation, to increase the loan amount by \$278,078, for a total aggregate amount not to exceed \$11,200,518 for the predevelopment and construction of 106 very low-income rental units, ground floor commercial space and the replacement of Bindlestiff Studio, 988-992 Howard Street; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Olson Lee, Vanessa Dandridge (Agency staff)

Mr. Olson Lee, Assistant Deputy Executive Director for Housing, presented the quarterly report from the Public Initiatives Development Corporation (PIDC) on the development status of the Plaza Hotel Replacement Project.

Commissioner Palamountain put forth a motion to adopt item 4 (j) and thanked staff for its hard work, especially Vanessa Dandridge and Erin Carson. Ms. Palamountain thanked Bettye Webb for her outstanding work on the relocation of the Plaza Hotel tenants.

Commissioner King seconded Commissioner Palamountain's motion.

Commissioner Singh thanked staff for its hard work and applauded Mr. Olson Lee for doing a great job as Executive Director for the PIDC.

Commissioner Dunlop thanked staff for its hard work, in particular the relocation work because he recalled getting telephone calls from the tenants, but the calls have ceased due to the excellent work of Agency staff.

ADOPTION: IT WAS MOVED BY MR. PALAMOUNTAIN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT), THAT ITEM 4 (j) RESOLUTION NO. 150-2003, AUTHORIZING A FIRST AMENDMENT TO AN AMENDED AND RESTATED TAX INCREMENT AFFORDABLE HOUSING PROGRAM

LOAN AGREEMENT WITH PUBLIC INITIATIVES DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO INCREASE THE LOAN AMOUNT BY \$278,078, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$11,200,518 FOR THE PREDEVELOPMENT AND CONSTRUCTION OF 106 VERY LOW-INCOME RENTAL UNITS, GROUND FLOOR COMMERCIAL SPACE AND THE REPLACEMENT OF BINDLESTIFF STUDIO, 988-992 HOWARD STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (k) Resolution No. 151-2003, Awarding Contract RPSB 002-03 and Authorizing the execution of a construction contract with IMR Roofing Corporation, a California corporation, in an amount not to exceed \$615,570, for South Beach Harbor Pier 40 shed improvements; Rincon Point - South Beach Redevelopment Project Area

Presenters: James Nybakken, Kevin Masuda (Agency staff)

Commissioner Romero thanked staff for a thorough presentation and put forth a motion to adopt item 4 (k).

Commissioner Singh asked what the warranty was for the work on the Pier 40 shed improvements and if the contractor had done work for the City before.

Mr. Kevin Masuda, Civil Engineer, stated that the roof had a 10-year warranty and the windows had a 20-year warranty. Mr. Masuda informed the Commission that IMR Roofing had done the roof work and solar panels for the Moscone West Convention Center project.

Commissioner Singh seconded Commissioner Romero's motion to adopt item 4 (k).

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (k) RESOLUTION NO. 151-2003, AWARDING CONTRACT RPSB 002-03 AND AUTHORIZING THE EXECUTION OF A CONSTRUCTION CONTRACT WITH IMR ROOFING CORPORATION, A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$615,570, FOR SOUTH BEACH HARBOR PIER 40 SHED IMPROVEMENTS; RINCON POINT - SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (l) Resolution No. 152-2003, Authorizing a Personal Services Contract with the San Francisco Housing Development Corporation, a California nonprofit public benefit corporation, in an amount not to exceed \$217,500, for homeowner assistance and housing development activities, as part of the Agency Citywide Tax Increment Housing Program

Presenters: Chris Harris (Agency staff), Regina Davis (SFHDC)

Speakers: Jeannette Fisher –Kouadio, Angelo P. King, Michael Harris, Pauline Peele, Cynthia Wheeler

Commissioner King put forth a motion to adopt item 4 (l) and stated that he was proud to have a minority firm working on the Agency's homeownership program.

Commissioner Singh seconded Commissioner King's motion to adopt item 4 (l) and asked how many people worked at SFHDC.

Ms. Regina Davis of SFHDC, responded that there were six staff people that worked for SFHDC.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (l) RESOLUTION NO. 152-2003, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH THE SAN FRANCISCO HOUSING DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$217,500, FOR HOMEOWNER ASSISTANCE AND HOUSING DEVELOPMENT ACTIVITIES, AS PART OF THE AGENCY CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Francisco Da Costa, Mary Helen Rogers, Keith Carlisle

7. REPORT OF THE PRESIDENT

- President Sexton explained that the Commission could not discuss items in closed session that were not calendared, in response to Mrs. Mary Rogers' request. Ms. Sexton assured Mrs. Rogers that staff would follow up with her and provide information on the status of the Urban Solutions office and a list of the names of non-profit board members.
- President Sexton asked staff to look into the report from Mr. Keith Carlisle about rats in the Fillmore Safeway parking lot and suggested that other City agencies could assist with the problem.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen assured the Commission that staff would look into the reported sighting of rats at Safeway and contact the Department of Public Health.
- Executive Director Rosen reported that the Urban Solutions' office was scheduled to open on September 22nd and suggested that Mr. Keith Carlisle consult with Urban Solutions for business opportunities in the Fillmore.
- Congratulations to Commissioner Dunlop who was honored by TODCO at a luncheon on September 9th with several Commissioners in attendance.
- Congratulations to Commissioner King in celebrating a special birthday on September 9th.
- Fillmore Fridays was on its fourth successful week and on September 19th, the featured film would be "When we were Kings," a film about Muhammad Ali. Ms. Rosen encouraged everyone to participate.
- Reminder of the joint meeting of the Agency and City Planning Commissions on Thursday, September 18th at 1:00 p.m. in the Board of Supervisors' chambers to consider final certification of the Mid-Market Environmental Impact Report.
- Soma Studios (8th and Howard) grand opening on October 2nd from 11:00 a.m. to 1:00 p.m. at 1180-1190 Howard Street.
- Ambassador Hotel grand opening on October 22nd at 11:00 a.m., 55 Mason Street.

- Introduced the Agency's current National Urban fellow, Susana Vilardell, who received her bachelors degree at the University of Texas in El Paso and had just started work at the Agency.
- Informed the Commission that Breonna Cole, a Coro Foundation fellow, had started working at the Agency and would be introduced at a future Commission meeting.
- Introduced Erinn Lopez, an attorney working temporarily at the Agency.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Romero requested that the Commission Secretary prepare some sort of a list or a calendar of various events that Commissioners were invited to.
- Commissioner King requested that the Hunters Point Shipyard draft DDA contained in a heavy binder be delivered to Commissioners' homes.

Executive Director Rosen stated that the binders were provided for the Commissioners' reference during closed session and would be delivered to Commissioners' homes.

- Commissioner Singh requested that Commissioners' mail be delivered to their homes on a regular basis.
- President Sexton recalled that staff was going to prepare a separate calendar of various events for Agency development projects and requested that staff send the calendar through the mail or facsimile.

Executive Director Rosen assured the Commission that the calendar would be prepared and sent to the Commissioners.

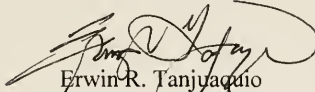
10. CLOSED SESSION:

- (a) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators in furtherance of the Exclusive Negotiations Agreement with Lennar BVHP Partners, LLC for Hunters Point Shipyard. Agency negotiators: Marcia Rosen, Don Capobres, Joanne Sakai, Leamon J. Abrams, Jesse Blout, Gaynell Armstrong. City negotiators: Michael Cohen, Office of the City Attorney.

11. ADJOURNMENT

It was moved by Ms. Palamountain, seconded by Mr. Dunlop, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:42 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

October 7, 2003

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18TH DAY OF SEPTEMBER 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 250, in the City of San Francisco, California, at 1:00 p.m. on the 18th day of September 2003, at the place and date duly established for holding of such a meeting.

President Michelle W. Sexton called the meeting to order at 1:00 p.m.

RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Michelle W. Sexton, President
Mark Dunlop
Leroy King
Darshan Singh

And the following were absent:

Benny Y. Yee
Ramon E. Romero, Vice-President
Kathryn C. Palamountain

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Joanne Sakai, Acting Executive Director and staff members were also present.

SPECIAL MEETING AGENDA

Pursuant to Section 32 of the bylaws of the Redevelopment Agency, this Special Meeting is for the purpose of holding a Joint Public Meeting with the City Planning Commission to certify the Environmental Impact Report for the proposed Mid-Market Redevelopment Plan as final.

Presenters: William Wycko (Planning Department staff), Lisa King (Agency staff)

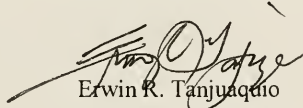
Speakers: Byron Yee, Anthony Faber, Robert McCarthy

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. PALAMOUNTAIN, MR. ROMERO AND MR. YEE ABSENT) THAT RESOLUTION NO. 153-2003, CERTIFYING A FINAL ENVIRONMENTAL IMPACT REPORT FOR THE PROPOSED MID-MARKET REDEVELOPMENT PLAN, LOCATED FROM FIFTH TO TENTH STREET, ALONG THE MARKET AND MISSION STREETS CORRIDOR, ENCOMPASSING 14 ASSESSOR'S BLOCKS, IN PORTION OR ENTIRETY, AS FOLLOWS: 341, 342, 350, AND 355 (NORTH OF MARKET STREET), 3507, 3508, 3509, 3701, 3702, 3703, 3704, 3725, 3727, AND 3728 (SOUTH OF MARKET STREET); MID-MARKET REDEVELOPMENT SURVEY AREA, BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Mr. Singh, and unanimously carried that the special meeting be adjourned. The meeting adjourned at 1:36 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

October 7, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF OCTOBER 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 7th day of October 2003, at the place and date duly established for holding of such a meeting.

President Michelle W. Sexton called the meeting to order at 4:00 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Michelle W. Sexton, President
Ramon E. Romero, Vice-President
Mark Dunlop
Leroy King
Kathryn C. Palamountain
Darshan Singh
Benny Y. Yee

DOCUMENTS DEPT.

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Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

- 4 (a) Approval of Minutes: Meeting of September 16, 2003, Special Meeting of September 18, 2003

- 4 (b) Resolution No. 154-2003, Authorizing a Fifth Amendment to the Community Development Block Grant Loan Agreement with Bayanihan Partners, a California limited partnership, to revise the schedule of performance for the acquisition and rehabilitation of 152 units of very low-income rental housing at the Delta Hotel, 80-88 Sixth Street; South of Market Earthquake Recovery Redevelopment Project Area
- 4 (c) Resolution No. 155-2003, Authorizing a Fourth Amendment to the Tax Increment Affordable Housing Program Loan Agreement with Bayanihan Partners, a California limited partnership, to revise the completion and occupancy dates for the rehabilitation of 152 units of very low-income rental units at the Delta Hotel, 80-88 Sixth Street; South of Market Earthquake Recovery Redevelopment Project Area
- 4 (d) Resolution No. 156-2003, Authorizing a Third Amendment to the Regulatory and Grant Agreement with Mary Elizabeth Inn, a California nonprofit public benefit corporation, and California Properties of Woman's Division, Inc., a California nonprofit public benefit corporation, to revise the schedule of performance for the rehabilitation of 88 units of very low income rental housing for women, located at 1040 Bush Street; Citywide Tax Increment Housing Program

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF SEPTEMBER 16, 2003, SPECIAL MEETING OF SEPTEMBER 18, 2003, 4 (b) RESOLUTION NO. 154-2003, AUTHORIZING A FIFTH AMENDMENT TO THE COMMUNITY DEVELOPMENT BLOCK GRANT LOAN AGREEMENT WITH BAYANIHAN PARTNERS, A CALIFORNIA LIMITED PARTNERSHIP, TO REVISE THE SCHEDULE OF PERFORMANCE FOR THE ACQUISITION AND REHABILITATION OF 152 UNITS OF VERY LOW-INCOME RENTAL HOUSING AT THE DELTA HOTEL, 80-88 SIXTH STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, 4 (c) RESOLUTION NO. 155-2003, AUTHORIZING A FOURTH AMENDMENT TO THE TAX INCREMENT AFFORDABLE HOUSING PROGRAM LOAN AGREEMENT WITH BAYANIHAN PARTNERS, A CALIFORNIA LIMITED PARTNERSHIP, TO REVISE THE COMPLETION AND OCCUPANCY DATES FOR THE REHABILITATION OF 152 UNITS OF VERY LOW-INCOME RENTAL UNITS AT THE DELTA HOTEL, 80-88 SIXTH STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, AND 4 (d) RESOLUTION NO. 156-2003, AUTHORIZING A THIRD AMENDMENT TO THE REGULATORY AND GRANT AGREEMENT WITH MARY ELIZABETH INN, A CALIFORNIA

NONPROFIT PUBLIC BENEFIT CORPORATION, AND CALIFORNIA PROPERTIES OF WOMAN'S DIVISION, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO REVISE THE SCHEDULE OF PERFORMANCE FOR THE REHABILITATION OF 88 UNITS OF VERY LOW INCOME RENTAL HOUSING FOR WOMEN, LOCATED AT 1040 BUSH STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

Note: Commissioners Palamountain and Romero abstained from voting on the approval of the September 18, 2003 meeting minutes. Commissioner Yee abstained from voting on the approval of the September 16 and 18, 2003 meeting minutes.

REGULAR AGENDA

- 4 (e)** Resolution No. 157-2003, Authorizing a Personal Services Contract with Poor People's Radio, Inc., a California nonprofit public benefit corporation in an amount not to exceed \$104,500 per year for 3 years for a total aggregate amount of \$313,500 to provide redevelopment related community education and outreach through broadcasting of Agency Commission meetings and other Agency related programs; all Redevelopment Project and Survey Areas

Presenters: Cheryl Towns (Agency staff)

Speakers: Mary Helen Rogers

Commissioner King put forth a motion to adopt item 4 (e). Commissioner Yee seconded the motion.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 157-2003, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH POOR PEOPLE'S RADIO, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION IN AN AMOUNT NOT TO EXCEED \$104,500 PER YEAR FOR 3 YEARS FOR A TOTAL AGGREGATE AMOUNT OF \$313,500 TO PROVIDE REDEVELOPMENT RELATED COMMUNITY EDUCATION AND OUTREACH THROUGH BROADCASTING OF AGENCY COMMISSION MEETINGS AND OTHER AGENCY RELATED PROGRAMS; ALL REDEVELOPMENT PROJECT AND SURVEY AREAS, BE ADOPTED.

- 4 (f)** Resolution No. 158-2003, Authorizing a First Amendment to the Grant Agreement with the Filipino-American Development Foundation, a California nonprofit public benefit corporation, to increase the grant amount in an amount not to exceed \$169,000, for a total aggregate amount of \$300,000, and to extend the term to December 31, 2004, for the construction of the Bayanihan Community Center at the Delta Hotel, 80-88 Sixth Street; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Michelle Ponce (Agency staff)

Speakers: Ligaya Avenida, Luisa M. Antonio, Bernadette Sy, Roy Recio

Commissioner Yee stated that he understood that TODCO would lease the commercial space to the Filipino-American Development Foundation for one dollar a year for twenty years. Mr. Yee asked if the commercial space would be used by the foundation itself or subleased to someone else.

Ms. Michelle Ponce, Project Associate, stated that the lease revenues for the 2,000 square foot space for the Filipino restaurant and the 380 square foot space for the bookstore would be used to fund the programming for the center.

Commissioner Romero congratulated the foundation and Agency staff on the progress that had been made and put forth a motion to adopt item 4 (f).

Commissioner Dunlop seconded Commissioner Romero's motion to adopt item 4 (f). Mr. Dunlop asked for clarification on the requested amount of \$169,000 and noted that the staff report did not include a breakdown of the project's budget and it was not clear what the money would be used for. Mr. Dunlop stated that it appeared that the foundation would need additional funds to complete the construction of the center.

Ms. Ponce stated that a grant amount of \$300,000 was approved in the Agency's 2002/2003 budget for the center and in 2002, the Commission approved \$131,000 for predevelopment costs. The remaining \$169,000 of the original grant amount was to be used for the construction of the center, which would allow the foundation to open the community center in the summer of 2004 with minimally required code compliance. Any additionally desired improvements were anticipated to be funded with capital campaign funds and possible additional funding request from the Agency.

Commissioner Dunlop asked if staff anticipated a shortfall in the construction funding when the initial budget was being prepared.

Ms. Ponce stated that the initial budget of \$1.6 million was subsequently reduced to \$1.395 million as a result of earlier value engineering for the project. Ms. Ponce stated that the project budget was still being refined, but the community center would still be able to open in the summer of 2004 without the decorative grills on the entrance and the marquee along Mission Street. These items would be funded with the foundation's fundraising efforts.

Commissioner Dunlop stated that he would support the project because of its importance to the community, but was a little uncomfortable with the numbers and without seeing the project budget, it was not clear how the project would be funded through completion.

Executive Director Marcia Rosen stated that the original grant amount was intended to provide enough money to meet code requirements to open the community center and that the foundation had committed to raising funds from other private capital sources to do the additional improvements, which were not required to operate the center, but would enhance the facility. There was no pending request for additional funds before the Commission and the Agency was fulfilling the understanding with the foundation to complete the construction to open the center. Agency staff continued to encourage the foundation to seek other funding sources.

Commissioner Dunlop thanked Agency staff for their hard work and requested a copy of the project budget.

Commissioner Singh stated that he was concerned that the foundation did not have enough money to complete the project and suggested that more funds be provided to the foundation.

Executive Director Rosen stated that following approval of the current request, the Commission would have committed all funds approved in the Agency's current budget and the Agency could not allocate funds not identified and approved in the annual budget.

Commissioner Singh encouraged the foundation to request additional funds from the Agency for next year's budget. Mr. Singh inquired about the one dollar a year lease for twenty years and asked what would happen at the end of the lease term.

Executive Director Rosen explained that the lease agreement was structured in compliance with the City's grant of seismic loan funding to the Delta Hotel that required a repayment of the City's funds in twenty years and the source of funds for the repayment would come from the foundation after being established and successful, would be expected to support some debt to through payment of reasonable rents.

Commissioner Singh suggested that the Agency give the foundation a 50-year lease instead of 20 and requested to see the loan agreement between the City and TODCO.

Executive Director Rosen stated the City's seismic loan program had different terms and required repayment after twenty years and a longer lease term would be in violation of the loan agreement. Ms. Rosen stated that a copy of the loan agreement would be provided.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 158-2003, AUTHORIZING A FIRST AMENDMENT TO THE GRANT AGREEMENT WITH THE FILIPINO-AMERICAN DEVELOPMENT FOUNDATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO INCREASE THE GRANT AMOUNT IN AN AMOUNT NOT TO EXCEED \$169,000, FOR A TOTAL AGGREGATE AMOUNT OF \$300,000, AND TO EXTEND THE TERM TO DECEMBER 31, 2004, FOR THE CONSTRUCTION OF THE BAYANIHAN COMMUNITY CENTER AT THE DELTA HOTEL, 80-88 SIXTH STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (g) and (h) were presented together and acted upon separately.

- 4 (g)** Resolution No. 159-2003, Authorizing a First Amendment to the Personal Services Contract II with the Freelon Group, Inc., a North Carolina corporation, to extend the term for one year through December 31, 2005, and increase the maximum amount payable by \$201,680 for a total aggregate amount not to exceed \$1,849,680 for additional construction administration and coordination services for the Museum of the African Diaspora; Yerba Buena Center Redevelopment Project Area

- 4 (h)** Resolution No. 160-2003, Authorizing the execution of a Bridge Loan Agreement with the Museum of the African Diaspora, a California nonprofit public benefit corporation, in an amount not to exceed \$1,000,000 to fund the completion of the exhibit design and related services for the museum facility to be located at the south side of Mission Street between New Montgomery and Third Streets (a Portion of Parcel EB-2A); Yerba Buena Center Redevelopment Project Area

Presenters: William Carney (Agency staff)

Commissioner Dunlop asked how much of the revised fees and expenses was due to the extension that was recently approved for the project and if staff anticipated the additional costs. Mr. Dunlop asked if the developer covered the added costs.

Mr. William Carney, Senior Project Manager, stated that \$123,000 represented the additional costs and the additional costs were part of the overall discussion with the developer and it was anticipated that the money from the developer would be used not only for the additional expenses for the museum, but also other expenditures for the overall project.

Commissioner Dunlop thanked staff for its hard work on the project and put forth a motion to adopt item 4 (g).

Commissioner Yee acknowledged the developer's significant financial contribution amounting to almost eight million dollars to a wonderful project, and seconded Commissioner Dunlop's motion to adopt item 4 (g).

Commissioner Palamountain complimented the Museum of the African Diaspora for its wonderful work on the museum brochure because she learned tremendously from reading it and enjoyed the inspirational themes of the museum. Ms. Palamountain also complimented the great work of the Freelon Group and stated that she was always impressed with the top-notch work of the museum. Ms. Palamountain stated that she would have like to have a discussion about the additional \$123,000 of expenses resulting from the earlier extension to the developer. Ms. Palamountain asked if the projected escalation of operating costs for the museum was based upon the Consumer's Price Index (CPI).

Mr. Carney stated that the actual operating costs had not been negotiated yet, and shared that the operating costs for the Zeum and the Center for the Arts was based upon the CPI and staff would be looking at other models to fund the museum's operating costs.

Commissioner Palamountain stated that the escalation and the \$450,000 over a 15-year period was a concern to her that the museum could lose that significant amount of money on the sixteenth year and that it was her desire for the Agency to live up to the parity schedule with other museums or cultural facilities. Ms. Palamountain stated that she wanted to give staff early alert of her concern about the museum's sustainability beyond the 15 years.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 159-2003, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT II WITH THE FREELON GROUP, INC., A NORTH CAROLINA CORPORATION, TO EXTEND THE TERM FOR ONE YEAR THROUGH DECEMBER 31, 2005, AND INCREASE THE MAXIMUM AMOUNT PAYABLE BY \$201,680 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,849,680 FOR ADDITIONAL CONSTRUCTION ADMINISTRATION AND COORDINATION SERVICES FOR THE MUSEUM OF THE AFRICAN DIASPORA; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (h) RESOLUTION NO. 160-2003, AUTHORIZING THE EXECUTION OF A BRIDGE LOAN AGREEMENT WITH THE MUSEUM OF THE AFRICAN DIASPORA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$1,000,000 TO FUND THE COMPLETION OF THE EXHIBIT DESIGN AND RELATED SERVICES FOR THE MUSEUM FACILITY TO BE LOCATED AT THE SOUTH SIDE OF MISSION STREET BETWEEN NEW MONTGOMERY AND THIRD STREETS (A PORTION OF PARCEL EB-2A); YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (i) Workshop on the Term Sheet for the joint development of a mixed-use office and residential project at 10th and Market Street; Mid-Market Redevelopment Survey Area

Presenters: Olson Lee (Agency staff)

Commissioner Romero requested verification that the City rents one million square feet of office space and noted that the proposed office building would only contain 440,000 square feet.

Mr. Olson Lee, Assistant Deputy Executive Director, stated that was his understanding and even with the new office space, the City would still have to rent approximately half a million square feet of office space.

Commissioner Palamountain asked why the Agency was a party to the term sheet when the Agency would not have any participation in the office development and no ownership in the housing component.

Mr. Lee stated that the Agency was involved because the parcel is within the proposed Mid-Market Redevelopment Project Area and to attain the Agency's goal of developing affordable housing within its project areas. In addition, the Agency had obligations under the Community Redevelopment Law to identify a percentage of affordable housing units to be developed in a project area.

Executive Director Rosen added that the Agency's participation in the term sheet would ensure that the proceeds from the office sale would be dedicated to the development of affordable housing and provided an opportunity to forecast the availability of affordable housing funds and to obligate such funds at an early stage.

Commissioner Palamountain stated that she supported the project and asked if there was any enforcement provision for the development of the affordable housing.

Executive Director Rosen responded that the enforcement provision would come in the form of a letter of intent from the developer.

President Sexton asked what City departments would occupy the office space and if staff was working with the owner on the predevelopment of the project.

Mr. Lee stated that it was not yet known what City departments would occupy the new office space. Mr. Lee stated that staff would work with the Department of City Planning during the predevelopment stage to ensure code compliance and the appropriateness of affordable senior housing on the parcel.

Executive Director Rosen added that the building would have a flexible office layout and the Agency would look into the suitability for the Agency offices, but no City departments had been identified yet.

Commissioner Yee requested verification that the 10th and Market site was the parcel that the Agency had a purchase option in the amount of \$10 million. Mr. Yee asked how much the parcel was sold for.

Mr. Lee affirmed that the Agency had an option to purchase the parcel as it was an alternate site for the General Services Administration (GSA) office site and the GSA chose the 7th and Mission site. Mr. Lee stated that he did not have the exact figure for the sales price of the parcel, but would provide the information to the Commission.

Commissioner Yee stated that he recalled his earlier suggestion to purchase the Agency's own office building in order to save money and he felt that the

proposed office building at 10th and Market was another missed opportunity for the Agency. Mr. Yee asked what the height limit was for the parcel and the number of parking spaces proposed.

Mr. Lee stated that he was not aware of the specific height limit, but the parcel would accommodate a 21-story building. Mr. Lee stated that he was not aware of the number of parking spaces proposed.

4 (j) Workshop on status of plan adoption efforts for the proposed Transbay Redevelopment Project Area

Presenters: Mike Grisso (Agency staff)

Speakers: Tay Via, Peter Hartman, Richard Mlynarik, Michael Kiesling, Clark Manus, Norman Rolfe

Commissioner Romero thanked Mr. Mike Grisso for a thorough presentation and stated his support for the long overdue project. Mr. Romero inquired about the physical layout of the terminal and asked if the Caltrain extension would go underground to Second Street and what the tail tracks would be used for. Mr. Romero asked if there was an underground connection planned to BART.

Mr. Mike Grisso, Senior Planner, stated that the Caltrain tracks would go underground below certain streets and buildings. The specific route was identified in the environmental documentation as well as the preliminary report. The tail tracks would be used for train turn-around and storage. Mr. Grisso stated that an underground connection to BART was considered as an alternative in the environmental analysis, but that it was not a funded alternative, as the alternative was estimated to cost about \$40 million.

Commissioner Yee complimented Mr. Grisso for a very impressive and exciting presentation. Mr. Yee asked what the basis was for the estimated \$400 million in tax increment revenue for the life of the redevelopment plan.

Mr. Grisso stated that the proposed Transbay redevelopment plan would have a plan duration of 45 years and the \$400 million figure would be generated over that period of time. The estimated tax increment revenue was based upon a proposed development program, including the number of housing units, the amount of office and retail space, and their present value in today's dollars. Mr. Grisso explained that the amount would be subject to trends in the national and local economy, but at the present time the \$400 million figure was accurate.

Commissioner Dunlop thanked Mr. Grisso for a thorough presentation. Mr. Dunlop asked if the public had seen the blight analysis and if there were any challenges or concerns. Mr. Dunlop asked how many of the total housing units were for ownership and rental, and if there were any units targeted for middle-income households, because he had heard a lot of concerns from middle-income folks about the lack of housing affordable to them.

Mr. Grisso stated that the blight analysis had just been completed and was provided first to the Commission, so the public had not seen it yet, but it would now be available for public review. Mr. Grisso stated that staff anticipated that challenges, if any, would come during the plan adoption stage. Mr. Grisso stated that the market rate units would be a mix of ownership and rental housing units with approximately 60% for sale and 40% rental and at least 15% affordable. The Agency's housing parcels, all of which would be affordable units, would also have a mix of ownership and rental housing units. Mr. Grisso stated that the inclusionary units in the for sale housing units would be set at 120% of area median income, which would be aimed at middle income households. 120% of the area median income was intended as a threshold for middle-income households to qualify, and the Agency would strive to provide the deepest level of affordability possible for all income levels.

Executive Director Rosen added that the Agency policy was to target households at 100% of area median income, but because San Francisco's median income was actually lower than 100%, which included San Mateo and Marin counties, the 100% of area median income was a higher income than the actual income in San Francisco, which translated to \$90,000 a year income for a family of four in San Francisco. Agency staff was confident that with the combination of inclusionary housing units for the private development and having opportunity sites for 100% affordable housing development, this would allow the Agency to plan housing for a very broad continuum of affordable housing units.

Commissioner Dunlop stated that although the Agency's primary mission was to create as much lower-income housing as possible, the Agency also needed to address the housing needs of middle-income households who sometimes ended up moving out of the City. Mr. Dunlop asked if the estimated \$99.6 million of tax increment funds dedicated for affordable housing development would achieve the goal of 35% affordable housing within the project area, because it seemed that significant amounts of tax increment funds were designated to pay for many non-residential uses, including the new Transbay terminal and the Caltrain extension. Mr. Dunlop observed that with the estimated \$1.75 billion cost to build the terminal, the Agency's contribution of \$169 million seemed insignificant in terms of percentage.

Mr. Grisso stated that Agency funds would be leveraged with private investments as well as non-profit participation, but the key element of the Transbay project was the construction of the terminal and the Caltrain extension, with significant amounts of funds dedicated for the construction of the terminal. The Agency's contribution of \$169 million of tax increment was significant and represented one of the largest amounts for the overall project budget, and the almost \$100 million dedicated for affordable housing development along with the inclusionary housing for the private development, would achieve the project area-wide goal of 35% affordable housing. In addition, the Agency would have another contribution from the sale of the land for private development, amounting to about \$200 million, and with the initial \$169 million, the Agency's total contribution would be around \$370 million, representing a significant contribution to the project.

Executive Director Rosen stated that one additional factor was that CalTrans required the donation of the tax increment from the parcels they owned as a condition of donating the land to the City.

Commissioner Dunlop asked if there was any encouragement for green buildings and bicycle lanes and parking within the project area. Mr. Dunlop stated that the Agency was doing a lot to move the project forward, and asked if current Agency staffing levels were adequate to complete the project.

Mr. Grisso stated that provisions for green buildings were included in both the Design for Development and specific design guidelines and green buildings were a priority in the project area. Mr. Grisso stated that staff was considering ways to require bicycle parking in the buildings and what the levels should be. Mr. Grisso stated that the Agency was a lot closer to the end than the beginning and have come a long way, and the Agency along with the City were ready to take the project the rest of the way.

Commissioner Palamountain thanked members of the CAC and staff for their hard work on the project. Ms. Palamountain noted that the Commission memorandum cited the Agency's statutory housing obligations for the project area, and asked if the Agency had other non-housing obligations. Ms. Palamountain asked how staff arrived at the \$99.6 million figure for affordable housing development.

Mr. Grisso stated that all of the Agency's statutory obligations for the project area were enumerated in the Commission memorandum. Mr. Grisso informed the Commission that the \$99.6 million represented 20% of the estimated total tax increment revenue of \$394 million, the percentage of tax increment revenue mandated by State law.

Commissioner Palamountain stated that prior to the Agency Commission's consideration of blight findings for the project area, she would like a tour of the proposed project area and a memorandum, which discusses the roles of not only the Agency, but also other City departments including the Transbay Joint Powers Authority. Ms. Palamountain stated that she would be interested in hearing about staff's planning efforts for schools, in particular elementary schools that would serve the broader South of Market area, and pointed out that the only elementary school in the area was Bessie Carmichael. Ms. Palamountain stated she understood that the dominant blighting condition within Transbay was indeed the terminal, which would have to be replaced, and at the estimated cost of \$1.75 billion with the Agency having a commitment of 1/10th of that cost, she would be looking at what funding sources would be guaranteed before approving the project, as well as what risks the Agency would be taking with its significant investment. Ms. Palamountain stated she agreed that this was a much needed transportation project, but was wary of the unknown risks to the Agency at the expense of sorely needed affordable housing development.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Mary Helen Rogers

7. **REPORT OF THE PRESIDENT**

- President Sexton urged everyone to vote at the gubernatorial recall election.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Executive Director Rosen congratulated President Sexton and Commission Singh on their reappointment to the Agency Commission, and stated that she looked forward to working with them.
- Community meeting on October 9th, from 5:30 to 7:30 p.m. at the Yerba Buena Center for the Arts, to present the final Design for Development document for Transbay.

- Hunters Point Shipyard CAC meeting on October 18th, from 9:00 a.m. to 2:00 p.m. at the Burnett Community Gymnasium, 1520 Oakdale Avenue between Third and Lane Streets, to discuss the draft Disposition and Development Agreement for the Shipyard.
- Announcement from Congresswoman Nancy Pelosi's office that \$2.2 million of new Federal funds had been earmarked for the City and County of San Francisco for the Hunters Point Shipyard effort.
- Reported that the Tax Credit Allocation Committee approved the tax allocations for the Plaza Hotel project and the preservation project, Mariposa Gardens. The California Debt Limit Advisory Committee approved the bond allocation for the Mission Creek Senior community project.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Yee recalled that a SRO hotel owner on Sixth Street had written the Agency a letter offering to sell his property to the Agency and requested an update.

Mr. Olson Lee stated that staff had met with the owner and negotiations on the sales price were not fruitful.

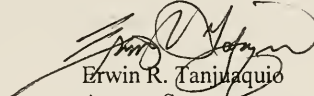
10. CLOSED SESSION:

- (a) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators in furtherance of the Draft Disposition and Development Agreement with Lennar BVHP Partners, LLC for Hunters Point Shipyard. Agency negotiators: Marcia Rosen, Joanne Sakai, Leamon J. Abrams, Jesse Blout, Don Capobres, Gaynell Armstrong. City negotiators: Michael Cohen, Office of the City Attorney.

11. ADJOURNMENT

It was moved by Mr. Singh, seconded by Mr. Dunlop, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:58 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

October 21, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
21ST DAY OF OCTOBER 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 21st day of October 2003, at the place and date duly established for holding of such a meeting.

President Michelle W. Sexton called the meeting to order at 4:00 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Michelle W. Sexton, President
Ramon E. Romero, Vice-President
Mark Dunlop (arrived @ 4:29 p.m.)
Leroy King
Kathryn C. Palamountain
Darshan Singh
Benny Y. Yee (arrived @ 4:11 p.m.)

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Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of October 7, 2003

- 4 (b) Resolution No. 161-2003, Authorizing a Fourth Amendment to the Personal Services Contract with On Target Delivery Service, a sole proprietorship, to extend the contract term for one month and increase the total compensation by \$6,000 for an aggregate amount not to exceed \$276,000
- 4 (c) Resolution No. 162-2003, Authorizing a Second Amendment to the Personal Services Contract with the San Francisco African American Historical & Cultural Society, a California nonprofit public benefit corporation, to extend the time of performance for three months for a research, education and documentation program for the Gene E. Suttle, Jr. Plaza Names Project; Western Addition A-2 Redevelopment Project Area

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MR. YEE ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF OCTOBER 7, 2003, 4 (b) RESOLUTION NO. 161-2003, AUTHORIZING A FOURTH AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH ON TARGET DELIVERY SERVICE, A SOLE PROPRIETORSHIP, TO EXTEND THE CONTRACT TERM FOR ONE MONTH AND INCREASE THE TOTAL COMPENSATION BY \$6,000 FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$276,000, AND 4 (c) RESOLUTION NO. 162-2003, AUTHORIZING A SECOND AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH THE SAN FRANCISCO AFRICAN AMERICAN HISTORICAL & CULTURAL SOCIETY, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE TIME OF PERFORMANCE FOR THREE MONTHS FOR A RESEARCH, EDUCATION AND DOCUMENTATION PROGRAM FOR THE GENE E. SUTTLE, JR. PLAZA NAMES PROJECT; WESTERN ADDITION A-2 REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

- 4 (d) Resolution No. 163-2003, Authorizing the Executive Director to execute: (1) a Term Sheet and an extension of the Third Amended and Restated Exclusive Negotiations Agreement, leading to a Disposition and Development Agreement with Fillmore Development Associates, LLC, a California limited liability company, for the disposition and development of Agency Parcel 732-A, located at the northeast corner of Fillmore and Eddy Streets; and (2) related term sheets for proposed tenant improvement loans to a to-be-formed affiliate of Yoshi's Japanese Restaurant, Inc., a California corporation, and Food for Soul, LLC, a California limited liability corporation, potential tenant operators on Agency Parcel 732-A; Western Addition Redevelopment Project Area A-2

Presenters: Shirley Wysinger/Joanne Sakai (Agency staff)

Speakers: Mary Helen Rogers, Rev. Edgar Boyd, Michael Johnson, Derf Butler, Larry Martin, Redmond Kernan, John Wilson, Kaz Kajimura, David Lawrence, Monetta White, Mark McAllister, Lisbet Sunshine, Rev. Arnold Townsend,AGONAFER Shiferaw

Commissioner King stated that it was a great day for him as a 40-year resident of St. Francis Square, the best cooperative in the country. Mr. King recalled that Mayor Diane Feinstein appointed him to the Redevelopment Agency Commission in 1980 and one of the first development that he approved as an Agency Commissioner was the Fillmore Center project, and he had regretted that vote ever since. Mr. King stated that he was now proud of the efforts to develop the last remaining parcel in Western Addition, Parcel 732-A and congratulated Agency staff and Fillmore Development Associates for achieving a major milestone, but acknowledged that this was just the first step in a long journey. Mr. King put forth a motion to adopt item 4 (d).

Commissioner Palamountain seconded Commissioner King's motion to adopt item 4 (d) and commended the cooperative work of Agency staff and the developer, particularly in balancing the public investment and affording opportunities for private investment, in what was truly a joint public and private partnership. Ms. Palamountain recognized that there were tough negotiations and thanked Ms. Joanne Sakai's team and Mr. Michael Johnson and Derf Butler's team for really sitting down and working out the difficult issues, and the result was a creative mix of ideas and tough analytical work regarding feasibility and financing for the project. Ms. Palamountain stated she thought that the proposed 20-year ground lease was a great idea and provided opportunities to help pave the way for financing the project. The below-market interest loans made sense in terms of the public investment for the project and the subordinate rights of the Agency to the private investors were an indication of the Agency's strong faith behind the project that would tell the private market that this was a project worth investing in. Likewise, the garage subsidy made sense in the allocation of the land value to ensure that the economic development goals of the Agency for Parcel 732-A and the broader community moved forward. Ms. Palamountain stated she had a lot of cautious optimism about the project and that she respected the modified partnership, but would look for a realistic timeline for an actual building to be built recognizing the importance of keeping a reasonable schedule. Ms. Palamountain stated that it was important to have good design and architecture for the project and when the design review phase was before the Commission, she would look for innovative and exciting design ideas. Ms. Palamountain asked if the Agency had done its

own analysis of the garage cost given that the developer provided the cost estimate.

Ms. Joanne Sakai, Deputy Executive Director for Housing and Community Development, stated that the cost estimate provided by Fillmore Development Associates was in line with the cost analysis by the Department of Parking and Traffic and staff was confident the cost estimate were reasonable, but more detailed financial analysis would be performed following approval of the term sheet.

Commissioner Palamountain stated she was very excited about the two new restaurants, Yoshi's and Food for Soul and how much vitality they would bring to the neighborhood.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 163-2003, AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE: (1) A TERM SHEET AND AN EXTENSION OF THE THIRD AMENDED AND RESTATED EXCLUSIVE NEGOTIATIONS AGREEMENT, LEADING TO A DISPOSITION AND DEVELOPMENT AGREEMENT WITH FILLMORE DEVELOPMENT ASSOCIATES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR THE DISPOSITION AND DEVELOPMENT OF AGENCY PARCEL 732-A, LOCATED AT THE NORTHEAST CORNER OF FILLMORE AND EDDY STREETS; AND (2) RELATED TERM SHEETS FOR PROPOSED TENANT IMPROVEMENT LOANS TO A TO-BE-FORMED AFFILIATE OF YOSHI'S JAPANESE RESTAURANT, INC., A CALIFORNIA CORPORATION, AND FOOD FOR SOUL, LLC, A CALIFORNIA LIMITED LIABILITY CORPORATION, POTENTIAL TENANT OPERATORS ON AGENCY PARCEL 732-A; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Mary Helen Rogers

7. **REPORT OF THE PRESIDENT**

- President Sexton requested staff to respond to a memorandum sent by Mrs. Mary Rogers regarding the Citizens' Advisory Committee for Western Addition.

- President Sexton referred to a memorandum from Mayor Brown regarding his appointments to the Western Addition Citizens' Advisory Committee (CAC) and read the names of the appointees to the CAC:

1. Mr. Steve Boyak
2. Rev. James McCray
3. Mr. Perry Bennett
4. Mr. Palmer Sessel
5. Mr. Michael Eddings
6. Ms. Mary Rogers
7. Ms. London Breed
8. Mr. Jeff Mori
9. Mr. James Harris
10. Dr. Raye Richardson
11. Mr. Chris Hirano
12. Mr. Charles Spencer
13. Rev. Arnold Townsend
14. Mr. Alex Andreas
15. Mr. Thomas Reynolds

President Sexton expressed her excitement about the CAC members being appointed and stated she looked forward to working with them. Ms. Sexton requested staff to contact the members and begin the process of formalizing the CAC and to move forward with the important work in the Western Addition.

- President Sexton announced that Open Studios at the Shipyard would be held on the weekend of October 25th and 26th and encouraged everyone to attend and view the great work of the best artists in the bay area.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen commended Agency staff in representing the Commission on the negotiations for Parcel 732-A, the Senior Project Manager, Deputy Executive Director for Housing and Community Development, Contract Compliance, Real Estate, Architecture and Legal Division. Ms. Rosen stated that the term sheet approved by the Commission represented the finest tradition of public private and community development partnership and complimented staff's efforts.
- Accepted a check in the amount of \$1.33 million from the Department of Commerce for the first phase of deconstruction of 63 buildings on Parcel A of the Hunters Point Shipyard. The funds were secured through the efforts of Congresswoman Nancy Pelosi and representing the Agency

was Commissioner Benny Yee and Supervisor Sophie Maxwell representing District 10 of San Francisco.

- Ms. Rosen reported that the Agency heard from the Mayor's office on October 17th about the appointments to the Western Addition CAC and Agency staff would contact the CAC members to schedule the first meeting of the CAC. The monthly community meetings that had been held since March 2003 would transition into CAC meetings. The next monthly community meeting was scheduled for October 22nd at 6:00 p.m. Agency staff would report back to the Commission about the CAC process.
- Fillmore Fridays would continue through October 31st with a showing of the final film series, "Sixth Sense" and on October 24th, Frank Jackson would be performing at the Fillmore Plaza. The Los Angeles Times took notice of the outdoor concerts and cinema on Fillmore and wrote an article about the events and reported that such events helped bring community spirit and economic vitality to communities all over the country. Ms. Rosen stated that copies of the news article would be provided to the Commission.
- Informed the Commission and the public of a Special Meeting of the Agency Commission on October 28, 2003 to conduct a workshop on the Hunters Point Disposition and Development Agreement, to be held at the Southeast Community Facility, 1800 Oakdale Avenue at 6:00 p.m.
- Requested the Commission to continue the calendared closed item on the Shipyard conveyance, as staff had not received the necessary information to brief the Commission.

9. **COMMISSIONERS' QUESTIONS AND MATTERS** None.

10. **CLOSED SESSION:**

- (a) Pursuant to Government Code § 54956.9(a): Conference with Legal Counsel regarding litigation: Redevelopment Agency of the City and County of San Francisco v. Sarah Benton, et al., San Francisco County Superior Court, Case No. CGC 02-407994.

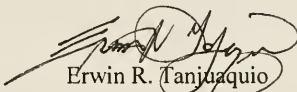
Item 10 (b) continued indefinitely.

- (b) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators regarding conveyance of Hunters Point Naval Shipyard; Hunters Point Shipyard Redevelopment Project Area. Agency/City Negotiators: Marcia Rosen, Joanne Sakai, Leamon J. Abrams, Jesse Blout, Don Capobres and Michael Cohen.

11. ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:54 p.m.

Respectfully submitted,



Erwin R. Tanjoaquio
Agency Secretary

APPROVED:

November 4, 2003

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF OCTOBER 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at the Southeast Community Facility, Alex L. Pitcher, Jr. Community Room, 1800 Oakdale Avenue, in the City of San Francisco, California, at 6:00 p.m. on the 28th day of October 2003, at the place and date duly established for holding of such a meeting.

President Michelle W. Sexton called the meeting to order at 6:14 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Michelle W. Sexton, President
Ramon E. Romero, Vice-President
Mark Dunlop
Leroy King
Kathryn C. Palamountain
Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

REGULAR AGENDA

- 4 (d) Workshop on the Phase I Disposition and Development Agreement; Hunters Point Shipyard Redevelopment Project Area

Presenters: Jesse Blout/Don Capobres (Agency staff)

President Sexton informed the public that all of the testimony from the workshop would be compiled and included in a written response at future Commission meetings.

Speakers: Scott Madison, Marcia Dale-Lewinter, Nita Hines, Perry Matlock, Linda Richardson, Ellouise Patton, Francisco DaCosta, Dr. Michael Williams, Cedric Jackson, Commissioner Sululagi Palega, Oscar James, Ken Rodgers, Dr. George Davis, Todd Clayter, Norma Faris-Taylor, Wiley Pierce, Cletis Young, Lessie Hopkins, Rev. Arnold Townsend, Ulysses J. Montgomery, Mel Washington, Bob Wade, Jeannette Fisher-Kouadio, Dennis Lumsey, Jesse Mason, Ellen Hayes, Dan Dodt, Angelo P. King, Regina Davis, Rev. Ted Frazier, Miles Stevens, Rev. Edgar Boyd, John Williams, Al Norman, Jonathan Gomwalk, Dr. Eddie Welbon, W. K. Shepherd, Ms. Kevyn Lutton, Derf Butler, Carlton Carey, Alvin Jones, Aaron Terris Grizzell, Pauline Peele, Espanola Jackson, Alma Robinson, Piero Patri, Rev. Arelious Walker, Mother Brown, Roger Gordon, Barbara Callaway

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS** None.

7. **REPORT OF THE PRESIDENT**

- President Sexton reiterated that staff would address all of the public comments including those from the October 18th CAC workshop. The next scheduled CAC workshop to further discuss comments on the DDA was scheduled for November 15th. Ms. Sexton thanked everyone for their participation at the Commission workshop and assured that staff would be working very hard to address all of the issues and concerns raised and looked forward to completing the process.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Informational memorandum regarding a Memorandum of Agreement between the Agency and the Mayor's Office of Criminal Justice for the Agency to formally participate in the neighborhood revitalization in the Bayview and coordinate Agency economic development activities with the Mayor's office.

- Commission workshop on the November 4th regular meeting to provide an update on the proposed plan amendments and status of the plan adoption process in the Bayview Hunters Point. Ms. Rosen encouraged the public to attend and participate in the workshop.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Yee requested verification that there was a scheduled Commission meeting on November 4th, which is Election Day in San Francisco.
- President Sexton affirmed that there was a scheduled Commission meeting on November 4th.
- Commissioner Singh stated that the Agency had never held a meeting on Election Day. Mr. Singh put forth a motion to cancel the regular meeting of November 4th.
- Commissioner Yee seconded Commissioner Singh's motion.
- President Sexton pointed out that the Agenda for November 4th was short and would probably not take long.
- Commissioner Dunlop asked if there were any items on the November 4th Agenda that could not be continued for two more weeks.
- Executive Director Rosen stated that in furtherance of the Plaza Hotel development, a proposed ground lease with the Plaza Hotel was scheduled for November 4th and believed that the matter had been scheduled for the Board of Supervisors' consideration. Ms. Rosen added that the forward calendar for the November 18th meeting had numerous items with time urgency for a full agenda.
- Mr. Olson Lee, Assistant Deputy Executive Director for Housing, stated that the proposed ground lease with the Plaza Hotel was a public hearing scheduled for November 4th, notice of which had already been published, and if the November 4th meeting were cancelled, the public hearing would have to be continued for two weeks. Staff was attempting to get the matter scheduled before the Board of Supervisors following action by the Commission on November 4th before the Board of Supervisors went on its holiday recess. Staff would like to have the lease completed prior to the end of the year and if the matter was continued, the schedule may be in jeopardy.

- Commissioner Yee stated that in his opinion, the length of the meeting was not the issue, but the tradition of the Agency Commission in his eight or nine years of being a Commissioner, was that Election Day was observed and meetings were not held.
- Commissioner King informed that he would not be attending the November 4th meeting due to the Election Day.
- Commissioner Romero stated that the Commission had a limited time schedule and was fast approaching the holiday schedule and reminded that following the November 4th election, another election would probably take place again in December. Mr. Romero stated he did not believe that the Commission had a lot of flexibility with the meeting schedule.

MOTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. YEE, THAT THE REGULAR AGENCY COMMISSION MEETING OF NOVEMBER 4, 2003 BE CANCELLED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. King
Mr. Singh
Mr. Yee

AND THE FOLLOWING VOTED "NAY":

Mr. Dunlop
Ms. Palamountain
Mr. Romero
Ms. Sexton

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, THREE (3) AYES AND FOUR (4) NAYS.

THE PRESIDENT THEREUPON DECLARED THE MOTION FAILED.

- Commissioner King recognized Alex Pitcher and acknowledged his tremendous contributions to the Bayview community, in particular his efforts with accepting the Redevelopment Agency to help revitalize the community. Mr. King recalled Mayor Brown's last State of the City Address earlier in the day (October 28th) and stated that the Mayor gave one of his best speeches in eight years and that the Agency owed it Mayor Brown and Alex Pitcher to move the Shipyard DDA process forward. Mr. King stated that the Commission was arguing about

having a meeting on Election Day when it should be helping to elect the right person to be the next mayor of San Francisco, a mayor who will work not only for Bayview but the rest of the City. Mr. King stated that it was selfish to hold a meeting on Election Day and he was not going to attend the November 4th meeting.

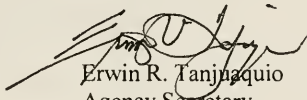
- Commissioner Yee echoed Commissioner King's comments and stated he knew that the outcome of the vote would be not to cancel the November 4th meeting, but he believed that it was a bad precedent and Agency staff should know and respect the tradition of not holding a meeting on Election Day.

10. **CLOSED SESSION:** None.

11. **ADJOURNMENT**

It was moved by Mr. Dunlop, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 9:35 p.m.

Respectfully submitted,



Erwin R. Tanjiaquio
Agency Secretary

APPROVED:

November 4, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
4TH DAY OF NOVEMBER 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 4th day of November 2003, at the place and date duly established for holding of such a meeting.

President Michelle W. Sexton called the meeting to order at 4:00 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Michelle W. Sexton, President
Ramon E. Romero, Vice-President
Mark Dunlop
Kathryn C. Palamountain

And the following were absent:

Leroy King
Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a) Approval of Minutes: Meeting of October 21, 2003 and Special Meeting of October 28, 2003
- 4 (b) Resolution No. 164-2003, Authorizing the Executive Director to enter into a Letter Agreement between the Redevelopment Agency of the City and County of San Francisco and Safeway Inc., Western Commercial Partnership I, and Western Commercial Partnership II temporarily modifying use restrictions in Gene Suttle Plaza; Western Addition Redevelopment Project Area A-2

Speakers: Mary Helen Rogers

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. KING, MR. SINGH AND MR. YEE ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF OCTOBER 21, 2003 AND SPECIAL MEETING OF OCTOBER 28, 2003 AND 4 (b) RESOLUTION NO. 164-2003, AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A LETTER AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO AND SAFEWAY INC., WESTERN COMMERCIAL PARTNERSHIP I, AND WESTERN COMMERCIAL PARTNERSHIP II TEMPORARILY MODIFYING USE RESTRICTIONS IN GENE SUTTLE PLAZA; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

REGULAR AGENDA

- 4 (c) Resolution No. 165-2003, Public hearing and Authorizing a Ground Lease with Plaza Apartments Associates. L.P., a California limited partnership, for the Agency's interest in the land at 988-992 Howard Street, for 55 years with an extension option of 44 years, for the development of 106 affordable units, ground floor commercial space and the replacement of Bindlestiff Studio; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Vanessa Dandridge (Agency staff)

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. KING, MR. SINGH AND MR. YEE ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 165-2003, PUBLIC HEARING AND AUTHORIZING A GROUND LEASE WITH PLAZA APARTMENTS ASSOCIATES. L.P., A CALIFORNIA LIMITED PARTNERSHIP, FOR THE AGENCY'S INTEREST IN THE LAND AT 988-992 HOWARD STREET, FOR 55

YEARS WITH AN EXTENSION OPTION OF 44 YEARS, FOR THE DEVELOPMENT OF 106 AFFORDABLE UNITS, GROUND FLOOR COMMERCIAL SPACE AND THE REPLACEMENT OF BINDLESTIFF STUDIO; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (d) Resolution No. 166-2003, Authorizing a Cost Estimating Services Panel from which the Executive Director may select, on an as-needed basis, individual cost estimating firms and enter into personal service contracts for a total aggregate amount not to exceed \$100,000 for a three year period, subject to appropriation of funds; all Project Areas, Survey Areas, City-wide Housing Program and other designated areas

Presenters: Su-Syin Chou (Agency staff)

Speakers: Mary Helen Rogers

Commissioner Palamountain stated she wanted to confirm Mrs. Mary Rogers' question that no one firm from the panel would receive more than \$50,000 in one year, and requested verification that only \$33,000 would be let in any one year among all the firms in the panel.

Executive Director Marcia Rosen stated that staff had estimated a total amount of \$100,000 for a three-year period.

Commissioner Palamountain put forth a motion to adopt item 4 (d) and stated she had questions about how the cost estimating panel services fit with the Agency's work as a whole, because generally the Agency's projects were put out for competitive bidding to determine the costs. Ms. Palamountain asked if the cost estimating work was exempt from competitive bidding.

Executive Director Rosen stated as the Commission was aware, the Agency maintained panels of different kinds of professionals where occasional services were necessary to perform the Agency's work in a short period of time, so professional panels were pre-qualified in order to take advantage of their expertise in the project planning stages. Ms. Rosen stated that the cost estimator would usually be involved at the front end of planning and not during the construction work, which was subject to the Public Works Code. Ms. Rosen stated General Counsel James Morales reminded that the Agency also had a limitation that no one firm would receive more than 25% of the allocated funds and the goal was to utilize the specialties of the firms while spreading the work among the panel.

Commissioner Dunlop seconded Commissioner Palamountain's motion to adopt item 4 (d) and thanked the cost-estimating firms for coming to the meeting.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. KING, MR. SINGH AND MR. YEE ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 166-2003, AUTHORIZING A COST ESTIMATING SERVICES PANEL FROM WHICH THE EXECUTIVE DIRECTOR MAY SELECT, ON AN AS-NEEDED BASIS, INDIVIDUAL COST ESTIMATING FIRMS AND ENTER INTO PERSONAL SERVICE CONTRACTS FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$100,000 FOR A THREE YEAR PERIOD, SUBJECT TO APPROPRIATION OF FUNDS; ALL PROJECT AREAS, SURVEY AREAS, CITY-WIDE HOUSING PROGRAM AND OTHER DESIGNATED AREAS, BE ADOPTED.

- 4 (e) Workshop on the Draft Redevelopment Plan Amendments for the Hunters Point, India Basin Industrial Park and Bayview Industrial Triangle Redevelopment Projects; Hunters Point, India Basin Industrial Park and Bayview Industrial Triangle Redevelopment Project Areas and the Bayview Hunters Point Redevelopment Survey Area

Presenters: Stan Muraoka (Agency staff)

Speakers: Mike Hamman, Dan Dodt

Commissioner Palamountain thanked members of the Bayview PAC for coming to the meeting and the incredible amount of work that they had done. Ms. Palamountain thanked Mr. Stan Muraoka for all his hard work in particular, his leadership in working with the community. Ms. Palamountain asked if the proposed design guidelines would overlay the underlying planning code provisions proposed to be applied to the area. Ms. Palamountain recalled that design guidelines addressing issues like signage and trash receptacles had been put in place for Mission Bay, and asked if similar approaches were contemplated for Bayview.

Mr. Stan Muraoka, Project Manager, stated that the design guidelines would be overlaid on top of the planning code and that a new set of design guidelines, in addition to the City's industrial and residential design guidelines, would be developed to focus development standards on transit-oriented mixed-used projects proposed in the Bayview. Mr. Muraoka affirmed that similar design guidelines in Mission Bay were proposed for the Bayview.

Commissioner Palamountain requested a tour of the area prior to the Commission's consideration of the proposed plan amendments and additional information about the proposed southern route to the Shipyard along Carroll Avenue. Ms. Palamountain asked if there had been any discussion with the Bayview community with regard to UCSF's proposed hospital in Mission Bay and if efforts between the two communities were being coordinated.

Mr. Muraoka stated that some coordination had been ongoing through the Department of Public Health and the Southeast Health Center board with respect to a new general hospital. Some predevelopment work had been done on the proposed expansion of the Southeast Health Center and the Bayview PAC was scheduled to consider voting on a design direction for the proposed expansion at its November meeting.

Commissioner Palamountain stated she continued to be concerned with the community-based small businesses in the Bayview especially along Third Street that they were not forced out of the area as redevelopment or the private market came to invest in the Bayview community. Ms. Palamountain stated that she would be looking for more information about proposed entrepreneurial opportunities for residents and business owners in Bayview. Ms. Palamountain recalled that at the last Commission meeting held in the Bayview, strong concerns were raised by the community with regard to affordable homeownership and there seemed to be a disconnect between the Agency's obligations under the State Community Redevelopment Law and the community's understanding of affordable homeownership. Ms. Palamountain stated she had growing concerns about potential conflicts with the Agency's homeownership program, as it existed and the community's understanding and desire for an equitable homeownership program.

Commissioner Dunlop stated that Commissioner Palamountain's statements aptly covered his concerns and questions and he also would like to have a tour of the Bayview community. Mr. Dunlop thanked the PAC members for coming to the meeting and expressing their concerns because it was important for the Commission to hear the community's concerns.

Commissioner Romero echoed both of Commissioners Palamountain and Dunlop's statements and suggested that the public submit written testimonies for the Commission to read.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Mary Helen Rogers

7. **REPORT OF THE PRESIDENT**

- President Sexton encouraged everyone to vote.
- President Sexton recalled Mrs. Mary Rogers' comments and assured that the Executive Director would provide a response. Ms. Sexton asked for an explanation of the relationships between the Agency, Safeway and the commercial office with regard to the Gene Suttle plaza.

Executive Director Rosen stated that there was a legally binding agreement called Easements, Covenants and Restrictions between the Redevelopment Agency, Safeway and Western Commercial Partnership for the Gene Suttle Plaza and the uses allowed on the plaza. Ms. Rosen assured that staff would respond to Mrs. Mary Rogers' request for information.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Informational memorandum regarding the Fillmore Holiday Lighting and Dedication of the completed Fillmore Streetscape including the Geary Street Bridge and Gene Suttle Plaza. A planning meeting was scheduled on November 6th to discuss with the community the planned celebration scheduled for November 29th.
- Western Addition Citizens' Advisory Committee – first scheduled meeting on November 20th, 6:00 p.m. at the Agency offices. The ad-hoc citizens' committee had requested a meeting with Agency staff scheduled for November 13th.
- Documents completing the Bloomingdale's transaction were recorded on October 29th and a groundbreaking was scheduled for November 13th at 9:30 a.m. at the old Emporium site on Market Street.
- Transbay housing parcel on Spear Street schedule closed on October 29th – special thanks to Al Luis for his hard work on a very complex transaction.
- November 3rd Board of Supervisors' Land Use Committee meeting regarding Transbay where the matter was well received by Supervisors Jake McGoldrick and Sophie Maxwell.

- November 6th opening of the Community Window in the Hunters Point Shipyard cleanup site at 11:00 a.m., 4634 Third Street (between McKinnon and Newcomb)
- November 5th groundbreaking for the new campus at Laguna Honda Hospital, 375 Laguna Honda Boulevard.
- Calendar of events to remind Commissioners of scheduled groundbreaking and similar events.

9. **COMMISSIONERS' QUESTIONS AND MATTERS**

- Commissioner Romero thanked Commission Secretary Erwin Tanjuaquio for preparing the calendar of events, as it was very helpful for Commissioners to know when the various events were taking place.
- Commissioner Romero asked the Executive Director to reiterate the Agency's policy about responding to comments by the public at Commission meetings where there was not a question and answer format. Mr. Romero stated he wanted to be clear that neither the Commission nor the staff was ignoring requests of information from the public.

Executive Director Rosen stated she always tried to respond to all of the public comments shortly after Commission meetings and that she personally responded to telephone calls from the public. Ms. Rosen added that as soon as Mrs. Rogers informed her of the street and lights issue along Fillmore, she sent the Agency's property management team to the site to investigate and have notified KTB of the situation.

- Commissioner Palamountain apologized to Mrs. Rogers for not being able to respond on the spot, but the Commission was bound by parliamentary procedures. Ms. Palamountain asked if there was any way of setting up a hotline for the community to report various issues to, as an example, KTB or Ella Hill Hutch or the Agency. It did not seem efficient for members of the public to report incidents at Commission meetings where the matter could have been handled by staff.

Executive Director Rosen stated that Mrs. Rogers worked for KTB and was in communication with them and also contacted staff from the Executive Director on down.

- Commissioner Palamountain stated that the public was always welcomed to express their concerns at Commission meetings, but she was concerned with the process relating to the Fillmore area where problems that arose should be directed to the Agency's contractor, KTB and or staff. Ms. Palamountain stated that Mrs. Rogers' comments brought a lot of value to the Commission and there was no disrespect intended to Mrs. Rogers, as Commissioners were not able to respond during the Commission meeting.
- Commissioner Romero stated he wanted to reinforce Commissioner Palamountain's statements and that the Agency tried to maintain a polite working relationship with the public, but recalled that on occasion where there had been a lot of communications between staff and the public, there were still complaints raised by the public at Commission meetings. Mr. Romero stated that this was not helpful to the Commission or the public.
- President Sexton stated that Mrs. Rogers' vigilance and persistence with the Commission and staff reminded her of the Agency's obligations to the public and the communities it served, and as long as Mrs. Rogers remained interested and involved, the Agency would continue to hear her voice. Ms. Sexton assured that staff, which does a great job of responding to the public's concerns, would continue to look out for the best interest of the public.

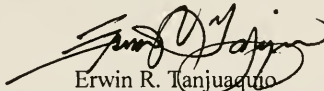
10. CLOSED SESSION:

- (a) Pursuant to Government Code § 54956.9(a): Conference with Legal Counsel regarding litigation: Redevelopment Agency of the City and County of San Francisco v. Sarah Benton, et al., San Francisco County Superior Court, Case No. CGC 02-407994.
- (b) Pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiators with respect to price and terms of payment. The property under consideration to be leased is a 4,000-square foot theater space at the Plaza Hotel, located at 988-992 Howard Street within the South of Market Earthquake Recovery Redevelopment Project Area and the party with whom the Agency may negotiate is Bindlestiff Studio. Agency negotiators: Marcia Rosen, William Carney, Nicole Franklin, Olson Lee, Vanessa Dandridge, Tracie Reynolds and Isabella Wong.

11. ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Ms. Palamountain, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:56 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Erwin R. Tanjuaquio", written over the printed name.

Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

November 18, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18TH DAY OF NOVEMBER 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 18th day of November 2003, at the place and date duly established for holding of such a meeting.

President Michelle W. Sexton called the meeting to order at 4:08 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Michelle W. Sexton, President
Ramon E. Romero, Vice-President
Mark Dunlop
Kathryn C. Palamountain (arrived at 5:27 p.m.)
Darshan Singh (departed at 4:35 p.m.)
Benny Y. Yee (departed at 5:35 p.m.)

DOCUMENTS DEPT.

And the following were absent:

SEP 13 2007

Leroy King

SAN FRANCISCO
PUBLIC LIBRARY

Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of November 4, 2003

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. SINGH ABSTAINED AND MR. KING AND MS. PALAMOUNTAIN ABSENT) THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF NOVEMBER 4, 2003, BE ADOPTED.

REGULAR AGENDA

Items 4 (b) through 4(d) were presented together and acted upon separately.

- 4 (b)** Resolution No. 167-2003, Public hearing and Authorizing: 1) a Construction Ground Lease; 2) a Ground Lease; and 3) a Standby Payment Agreement to guarantee the payment of certain mortgage revenue bonds in an amount not to exceed \$8,077,500, with Mercy Housing California XX, a California limited partnership, in conjunction with the development of 139 units of very low income senior rental housing (plus one manager's unit) at the Mission Creek Senior Community, 201 Berry Street; Mission Bay North Redevelopment Project Area
- 4 (c)** Resolution No. 168-2003, Authorizing the Issuance, Sale and Delivery of Multifamily Housing Revenue Bonds in an aggregate principal amount not to exceed \$23,000,000 to assist Mercy Housing California XX, a California limited partnership, with the construction of residential rental facilities at 201 Berry Street, San Francisco, and Authorizing certain officers to enter into an indenture, a loan agreement, a regulatory agreement, and a bond purchase contract with respect to such bonds, Approving an official statement and Approving and Authorizing actions and documents relating thereto; Mission Bay North Redevelopment Project Area
- 4 (d)** Resolution No. 169-2003, Authorizing a Grant and Regulatory Agreement, in an amount not to exceed \$5,000,000 and reducing a previously approved Tax Increment Loan amount by \$5,000,000, both with Mercy Housing California XX, a California limited partnership, in conjunction with the development of 139 units of very low income senior rental housing, plus one manager's unit, at the Mission Creek Senior Community, 201 Berry Street; Mission Bay North Redevelopment Project Area

Presenters: Pam Sims (Agency staff)

Speakers: Corrine Woods, Mary Helen Rogers

Commissioner Singh stated that the Agency had allocated a lot of money to Mercy Housing and it seemed like Mercy Housing did all of the Agency's affordable housing projects. Mr. Singh asked who the competitors were for the Mission Creek Senior project.

Mr. Olson Lee, Assistant Deputy Executive Director for Housing, stated that the selection of Mercy Housing for the Mission Creek Senior project was a result of a competitive Request for Proposals authorized by the Commission. Mr. Lee stated that Citizens Housing Corporation competed for the project.

Commissioner Singh asked if the Agency could not develop the project itself with the large amount of money being allocated because Mercy Housing would not build the project, as they would hire the builders and the Agency could do the same thing.

Mr. Lee stated that in the case of the Mission Creek Senior project, the Agency was the lender as it would for similar projects as well as the lessor for the land, and in order to serve the particular population of seniors, it was necessary to have a financial commitment at the level proposed including the standby payment agreement to serve the very low-income and frail elderly population. The amount of funding for the project was appropriate based upon the ability of the residents to pay the rent and the cost of building the project including features like adult day-care and the library. Also included in the transaction was a bridge loan for the construction, which would enable the Agency to receive payments from the lease of the land.

Commissioner Singh asked for a definition of low rents. Mr. Singh asked if the bonds were tax-exempt and what the interest rate was for the bonds.

Ms. Pam Sims, Development Specialist, stated that the average rents for the households would be \$315.00 a month, which was affordable to persons at approximately 15% of the Area Median Income. Ms. Sims affirmed that the bonds were tax-exempt bonds.

Mr. Steve Melikian, Bond Counsel, stated the multifamily housing revenue bonds were variable rate bonds so the interest rates would change on a weekly basis, but at the present time, the interest rate was around one to 1.1% and the actual interest rate would not be determined until the bonds were sold.

President Sexton stated that one of the concerns raised by Commissioner Singh had to do with the high cost of the development and recalled that when related matters were before the Commission in September 2003, staff indicated that the reason for the high cost was because of the targeted population of very low-income, frail and homeless seniors, and asked staff for elaboration.

Ms. Sims informed the Commission that the significant cost of the project was attributable to the poor sandy soil condition, which required enormous amounts of very expensive fill to stabilize the site in order to support a seven-story structure. In addition, there were added features such as the adult day-care, community room and the library, all as part of creating a new and viable community in Mission Bay.

Commissioner Dunlop put forth a motion to adopt item 4 (b) and thanked Ms. Pam Sims for the great presentation and also thanked Agency staff for its hard work on the project. Mr. Dunlop stated that it was exciting to have a project that not only served frail and elderly people, but also have 10 units reserved for seniors with HIV/AIDS, which was the first time development serving this population in the country.

Commissioner Romero seconded Commissioner Dunlop's motion to adopt item 4 (b) and thanked Mercy Housing for willing to take on projects such as Mission Creek Senior and for doing an excellent job in serving the needs of the San Francisco community.

Commissioner Yee stated he knew that the Commission had previously approved the Mission Creek Senior project and that it was a good project, but shared the same concerns as Mrs. Mary Rogers and Commissioner Singh with the selection of the developer, Mercy Housing. Mr. Yee stated that he was not questioning Mercy Housing's qualifications and asked staff to provide a comparison of staff's evaluation of the competing developer, Citizens Housing Corporation.

Mr. Lee stated that the Commission authorized selection of Mercy Housing in 2001 and staff had been working with Mercy Housing since that time. The difference between Mercy Housing and Citizens Housing Corporation was Mercy Housing's capacity to develop the desired social service programs on the site, including an adult day-care, community room and library. In addition, Mercy Housing had previous experience in developing mixed-use projects, which led to staff's recommendation and the Commission's selection of Mercy Housing.

Commissioner Yee stated that staff should have provided the Commission with the ranking of the competing developers and admonished staff to always include relevant background information on important projects.

Commissioner Romero asked when the developer selection was made and recalled that the project had gone before the Commission previously.

Executive Director Marcia Rosen informed the Commission that Mercy Housing was selected developer on January 15, 2001.

At this time, approximately 4:35 p.m., Commissioner Singh departed the meeting.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING, MS. PALAMOUNTAIN AND MR. SINGH ABSENT) THAT ITEM NO. 4 (b) RESOLUTION NO. 167-2003, AUTHORIZING: 1) A CONSTRUCTION GROUND LEASE; 2) A GROUND LEASE; AND 3) A STANDBY PAYMENT AGREEMENT TO GUARANTEE THE PAYMENT OF CERTAIN MORTGAGE REVENUE BONDS IN AN AMOUNT NOT TO EXCEED \$8,077,500, WITH MERCY HOUSING CALIFORNIA XX, A CALIFORNIA LIMITED PARTNERSHIP, IN CONJUNCTION WITH THE DEVELOPMENT OF 139 UNITS OF VERY LOW INCOME SENIOR RENTAL HOUSING (PLUS ONE MANAGER'S UNIT) AT THE MISSION CREEK SENIOR COMMUNITY, 201 BERRY STREET; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING, MS. PALAMOUNTAIN AND MR. SINGH ABSENT) THAT ITEM NO. 4 (c) RESOLUTION NO. 168-2003, AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$23,000,000 TO ASSIST MERCY HOUSING CALIFORNIA XX, A CALIFORNIA LIMITED PARTNERSHIP, WITH THE CONSTRUCTION OF RESIDENTIAL RENTAL FACILITIES AT 201 BERRY STREET, SAN FRANCISCO, AND AUTHORIZING CERTAIN OFFICERS TO ENTER INTO AN INDENTURE, A LOAN AGREEMENT, A REGULATORY AGREEMENT, AND A BOND PURCHASE CONTRACT WITH RESPECT TO SUCH BONDS, APPROVING AN OFFICIAL STATEMENT AND APPROVING AND AUTHORIZING ACTIONS AND DOCUMENTS RELATING THERETO; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING, MS. PALAMOUNTAIN AND MR. SINGH ABSENT) THAT ITEM NO. 4 (d) RESOLUTION NO. 169-2003, AUTHORIZING A GRANT AND REGULATORY AGREEMENT, IN AN AMOUNT NOT TO EXCEED \$5,000,000 AND REDUCING A PREVIOUSLY APPROVED TAX INCREMENT LOAN AMOUNT BY \$5,000,000, BOTH WITH MERCY HOUSING CALIFORNIA XX, A CALIFORNIA LIMITED PARTNERSHIP, IN CONJUNCTION WITH THE DEVELOPMENT OF 139 UNITS OF VERY LOW INCOME SENIOR RENTAL HOUSING, PLUS ONE MANAGER'S UNIT, AT THE MISSION CREEK SENIOR COMMUNITY, 201 BERRY STREET; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (e) Resolution No. 170-2003, Authorizing exclusive negotiations with A.F. Evans Company, Inc., a California corporation, and Chinatown Community Development Center, Inc., a California nonprofit public benefit corporation, for the development of affordable senior housing under a ground lease on Central Freeway Parcel A, southeast corner of Turk and Gough Streets; Western Addition Redevelopment Project Area A-2

Presenters: Kate Hartley (Agency staff)

Speakers: John G. Melone, Mary Helen Rogers, Charmaine Curtis, Gordon Chin, Ramona Davies, Kay Gibleski, Barbara Blong, Joseph Smooke, Mel Beetle

Commissioner Yee stated that the Central Freeway parcels were new projects unlike the Mission Bay parcels that were just approved by the Commission and although he did not doubt the integrity of the staff recommendation, he was uncomfortable with the impression of a monopoly in the selection of developers. Mr. Yee asked staff to provide the comparative ranking of competing developers for Parcel A.

Executive Director Rosen stated that staff followed her recommendation based on Commission policy for evaluating similar proposals. The Central Freeway parcels were the most comparable to the Mission Bay parcels in that they were public parcels with specific programs defined by the Commission. Ms. Rosen stated that staff was providing the Commission with its best professional advice based upon the ranking criteria contained in the RFP authorized by the Commission, and staff did not want in any way to disparage the other developers' qualifications and fine reputations. Agency staff pointed out the specific features of the recommended developer's proposal that staff thought was worthy of the Commission's consideration. Ms. Rosen added that the developer selection involved a thorough public process that garnered valuable community input, which led to staff's recommendation and the Commission's policy direction on developer selection was followed reliably.

Commissioner Yee stated he understood the Executive Director's explanation, but was still uncomfortable with the selection process. Mr. Yee recalled that he had always supported staff's recommendations particularly on big Agency development projects, but staff's recommended developers were always the same few developers that have worked on many Agency projects without giving opportunities for other well-qualified developers. Mr. Yee stated that staff should have provided the Commission with the evaluation ranking for all competing developers so that the Commission could see the rationale for staff's recommendation. Mr. Yee asked if staff had the developers' ranking available for review.

Executive Director Rosen stated that staff had the comparative ranking of the competing developers available and offered staff to present it to the Commission.

Ms. Kate Hartley, Development Specialist, stated that the evaluation panel filled out ranking sheets and scored each of the developers on a scale of one to four with one being the best, based upon the criteria specified in the RFP. The scores were tabulated and resulted in the top ranking of the proposal from A. F. Evans for Parcel A and Mission Housing Development Corporation for Parcel C. Ms. Hartley stated that the Commission memorandum was written with professional courtesy in mind so as not to disparage or publicly discuss the other developers' weaknesses because staff deemed all of the proposals to be good. Ms. Hartley added that all of the developers that responded had previously worked with the Agency and all were experienced and none had a monopoly on public funds.

Commissioner Yee stated that what he was asking for was the ranking so that the Commission could understand how each developer's proposal was scored. Mr. Yee stated that his job as Commissioner was to serve the public and because he was not comfortable with the developer selection process, he requested that items 4 (e) and 4 (f) be continued and if the Commission did not acquiesce, he would depart the meeting and leave the Commission without a quorum and the Commission would not be able to take action.

Ms. Hartley offered to go through the evaluation panel's ranking and Commissioner Yee asked if there were copies available to the public. Ms. Hartley stated that staff did not have copies available, but could present the information to the Commission and the public.

President Sexton stated that during her time with the Commission, the ranking of developers was not usually included in the staff's report, but in order to respond to Commissioner Yee's request, staff was willing to present the developers' ranking.

Commissioner Yee stated he felt very strongly about delaying Commission actions until the Commission was able to review staff's evaluation and pointed out that a delay of a couple of weeks would not be detrimental to the project. Mr. Yee put forth a motion to continue items 4 (e) and 4 (f).

Commissioner Dunlop suggested that the Commission take a recess to allow time for staff to make copies of the evaluation panel's ranking as Commissioner Yee requested in order to not delay Commission action.

Commissioner Yee stated that it would not be fair to Commissioners who were absent to deliberate on the award of exclusive negotiations and reiterated that a short delay would not hurt the projects. Mr. Yee pointed out that Commissioners King, Palamountain and Singh were not in attendance and the rest of the Commission should show respect to their fellow Commissioners.

Executive Director Rosen informed the Commission that she had called all of the Commissioners and had spoken with Commissioner King and none of the Commissioners had expressed concerns nor requested continuance on any Agenda item.

Commissioner Yee shared that he spoke three times with Commissioner King who was home ill and believed that he also had concerns, but may have not recalled his concerns when the Executive Director spoke with him.

President Sexton shared her astonishment with Commissioner Yee's intention to depart the meeting as all Commissioners had the opportunity to communicate with staff any concerns that they had and it was inappropriate for Commissioners to walk out of official Agency proceedings just because of the manner that the information was presented by staff.

Commissioner Dunlop stated he was also astounded because the Commission had known about the freeway parcels for at least five years and had gone through a lengthy RFP and community process. Mr. Dunlop stated that the proposed projects would serve the neediest of the City's population, seniors including homeless seniors, and delaying the projects would mean that more people would remain homeless. Mr. Dunlop recalled that Commissioner Yee stated earlier that the recommended developers were good and well-qualified developers, and he (Mr. Dunlop) was in disbelief that Commissioner Yee was intending to depart he meeting.

Commissioner Romero stated he was embarrassed with the arguments, but was not surprised with the controversy because it was not the first time that the Commission had to select a developer from a qualified pool of developers. Mr. Romero recalled that the meeting started with five Commissioners with Commissioners King and Palamountain not in attendance, but even before the staff presentation on item 4 (e), Commissioner Singh, without forewarning, departed the meeting. The Executive Director informed the Commission that there were no requests from Commissioners King and Palamountain to continue the subject items and therefore did not see any reason to continue the items. Mr. Romero stated that Commissioner Yee had the right to walk out of the meeting because that was an act of protest that he was entitled to, and recalled that he (Mr. Romero) had done the same thing a few years back when he did not like what was happening at a particular meeting. Mr. Romero stated he

hoped that Commissioner would not depart the meeting and urged him to stay.

At this time, approximately 5:27 p.m., Commissioner Palamountain arrived at the meeting.

Commissioner Romero put forth a motion to adopt item 4 (e).

Commissioner Yee stated that his concerns were not the qualifications of the recommended developers, but the manner in which staff selected the developers without providing the Commission with the detailed ranking of all competing developers. Mr. Yee stated that his responsibility was to look out for the interest of the public and repeated his request to continue the items.

Commissioner Dunlop seconded Commissioner Romero's motion to adopt item 4 (e) and stated that had the Commission requested the ranking information included in the staff report, staff would have provided it. Mr. Dunlop stated that it would be wrong to delay action on such important projects and complimented staff's excellent work on the projects.

Commissioner Palamountain apologized for her tardiness as she was detained at work and asked the General Counsel about her ability to vote on the matter since she was not there during the deliberations.

General Counsel James Morales stated that under the Robert's Rules of Order, which governed the Agency Commission's procedures through its by-laws, a Commissioner need not be present at the time when the item was first called in order to vote on the matter, therefore Commissioner Palamountain was legally allowed to vote when the final vote is called and considered.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, THAT ITEM 4 (e) RESOLUTION NO. 170-2003, AUTHORIZING EXCLUSIVE NEGOTIATIONS WITH A.F. EVANS COMPANY, INC., A CALIFORNIA CORPORATION, AND CHINATOWN COMMUNITY DEVELOPMENT CENTER, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE DEVELOPMENT OF AFFORDABLE SENIOR HOUSING UNDER A GROUND LEASE ON CENTRAL FREEWAY PARCEL A, SOUTHEAST CORNER OF TURK AND GOUGH STREETS; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop
Ms. Palamountain

Mr. Romero
Ms. Sexton

AND THE FOLLOWING VOTED "NAY":

Mr. Yee

AND THE FOLLOWING WERE ABSENT:

Mr. King
Mr. Singh

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (4) AYES, ONE (1) NAY, AND TWO (2) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED AND RESOLUTION NO. 170-2003 WAS APPROVED.

At this time, approximately 5:35 p.m., Commissioner Yee departed the meeting.

- 4 (f) Resolution No. 171-2003, Authorizing exclusive negotiations with Mission Housing Development Corporation, a California nonprofit public benefit corporation, for development of affordable senior housing under a ground lease on Central Freeway Parcel C, southwest corner of Golden Gate and Franklin Streets; Western Addition Redevelopment Project Area A-2

Presenters: Kate Hartley (Agency staff)

Speakers: Carlos Romero, Carmen Johnson, Michael Vanderhorst

Commissioner Romero put forth a motion to adopt item 4 (f).

Commissioner Dunlop seconded Commissioner Romero's motion to adopt item 4 (f). Mr. Dunlop recalled Mr. John Melone's suggestion to have a 25% set aside of the units for homeless seniors and stated that he would support such set aside and anything that the Agency could do to increase the number of units available to homeless seniors would be greatly appreciated. Mr. Dunlop inquired about the level of affordability of the units for frail and homeless elderly given that most of the seniors' income was well below the stated median income. Mr. Dunlop asked if staff had done any outreach to organizations like the Senior Action Network.

Executive Director Rosen stated that staff would work closely with the developer during the exclusive negotiations stage to look at feasible financing resources to provide ongoing operation and rent subsidy costs to

provide the deepest level of affordability to the targeted population of frail and homeless elderly. Ms. Rosen pointed out that it was premature to establish a number of units to be set-aside for a specific population at the exclusive negotiations stage, but would work to identify available funding to increase the number of units for the homeless senior population. Ms. Rosen added that the recommended developers were eligible to apply for the State Multifamily Extremely Low-Income Units Housing Program, which would enhance the availability of additional units, and staff had been working with the Housing Authority to secure Section 8 subsidies, which would deepen the affordability and give priority to homeless seniors. Ms. Rosen stated that staff had contacted not only the Senior Action Network but also other senior organizations that actively participated in the community meetings for the two freeway parcels and staff would continue that effort.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. KING, MR. SINGH, AND MR. YEE ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 171-2003, AUTHORIZING EXCLUSIVE NEGOTIATIONS WITH MISSION HOUSING DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR DEVELOPMENT OF AFFORDABLE SENIOR HOUSING UNDER A GROUND LEASE ON CENTRAL FREEWAY PARCEL C, SOUTHWEST CORNER OF GOLDEN GATE AND FRANKLIN STREETS; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

- 4 (g) Resolution No. 172-2003, Approving a Personal Services Contract with KTB Realty Partners, Inc., a California corporation, for property management of the Mission Bay open space system for a term of 3 years with one 3 year option for a total aggregate amount not to exceed \$263,960; Mission Bay North and South Redevelopment Project Areas

Presenters: Amy Neches (Agency staff)

Speakers: Mary McCue, Corinne Woods, Don Marcos

Commissioner Palamountain stated that it was hard to imagine an organization that the Agency contracted with that inspired more confidence than KTB from their excellent presentations before the Commission to the wonderful and diverse team of contractors. Ms. Palamountain complimented KTB on its work for various Agency projects and stated that it was a pleasure to see that the Agency's project areas were under good management. Ms. Palamountain shared her excitement about the inclusion of bicycle security for the park and open space as well as KTB's passion for working with the Mission Hiring Hall in order to bring people into a profession who would otherwise not have access. Ms. Palamountain put forth a motion to adopt item 4 (g).

Commissioner Dunlop seconded Commissioner Palamountain's motion to adopt item 4 (g) and thanked staff for its hard work and complimented KTB for putting together such a great team of contractors.

President Sexton thanked Ms. Amy Neches for providing photographs of the Mission Bay parks and asked if there were any plans to provide barbeque pits in any of the parks.

Ms. Amy Neches, Senior Project Manager, stated that staff could look into the idea of providing barbeque pits in some of the parks and informed the Commission that as more foot traffic was generated, food concessions would be provided as part of the park system.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. KING, MR. SINGH AND MR. YEE ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 172-2003, APPROVING A PERSONAL SERVICES CONTRACT WITH KTB REALTY PARTNERS, INC., A CALIFORNIA CORPORATION, FOR PROPERTY MANAGEMENT OF THE MISSION BAY OPEN SPACE SYSTEM FOR A TERM OF 3 YEARS WITH ONE 3 YEAR OPTION FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$263,960; MISSION BAY NORTH AND SOUTH REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

Commissioner Romero put forth a motion to continue item 4 (h) indefinitely due to a last minute problem with staff's recommendation.

Commissioner Dunlop seconded Commissioner Romero's motion.

- 4 (h)** Resolution No. 173-2003, Authorizing a Personal Services Contract with On Target Delivery Service from December 1, 2003 through November 30, 2006 in an amount not to exceed \$35,000 during the initial 12 month term, increased by changes to the consumer price index for the two 12-month periods beginning on December 1, 2004 and December 1, 2005, subject to appropriation

Speakers: Mary Helen Rogers, Adolphe Philoxene

Commissioner Palamountain asked what the problem was and who would handle the Agency's messenger delivery needs after December 1st.

Executive Director Rosen stated that the recommended contractor was unwilling to abide by the Agency's policies to provide insurance that was specified in the RFQ and the matter had just come to light. Ms. Rosen stated that property management staff would handle the messenger delivery needs of the Agency and a recommendation would be provided to the Commission.

MOTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. KING, MR. SINGH AND MR. YEE ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 173-2003, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH ON TARGET DELIVERY SERVICE FROM DECEMBER 1, 2003 THROUGH NOVEMBER 30, 2006 IN AN AMOUNT NOT TO EXCEED \$35,000 DURING THE INITIAL 12 MONTH TERM, INCREASED BY CHANGES TO THE CONSUMER PRICE INDEX FOR THE TWO 12-MONTH PERIODS BEGINNING ON DECEMBER 1, 2004 AND DECEMBER 1, 2005, SUBJECT TO APPROPRIATION, BE CONTINUED INDEFINITELY AT THE CALL OF THE PRESIDENT.

Items 4 (i) and 4 (j) were presented together and acted upon separately.

- 4 (i) Resolution No. 174-2003, Authorizing a First Amendment to a Tax Increment Loan Agreement with Mercy Housing California, a California nonprofit public benefit corporation, in an amount not to exceed \$5,275,514, to modify certain terms, in conjunction with the acquisition, predevelopment, and construction of approximately 57 very low income family rental units at 227-255 Seventh Street (Batmale Site); South of Market Earthquake Recovery Redevelopment Project Area
- 4 (j) Resolution No. 175-2003, Authorizing a First Amendment to a Tax Increment Grant Agreement with San Francisco Medical Center Outpatient Improvement Programs, Inc. (commonly known as the South of Market Health Center), a California nonprofit public benefit corporation, in an amount not to exceed \$1,420,917, to modify certain terms, in conjunction with the acquisition, predevelopment, and construction of an approximately 20,000 square foot health clinic facility at 227-255 Seventh Street (Batmale Site); South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Vanessa Dandridge (Agency staff)

Speakers: Charles Range

Commissioner Romero put forth a motion to adopt item 4 (i).
Commissioner Dunlop seconded the motion.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. KING, MR. SINGH AND MR. YEE ABSENT) THAT ITEM 4 (i) RESOLUTION NO. 174-2003, AUTHORIZING A FIRST AMENDMENT TO A TAX INCREMENT LOAN AGREEMENT WITH MERCY HOUSING CALIFORNIA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$5,275,514, TO MODIFY CERTAIN TERMS, IN CONJUNCTION WITH THE ACQUISITION, PREDEVELOPMENT, AND CONSTRUCTION OF APPROXIMATELY 57 VERY LOW INCOME FAMILY RENTAL UNITS AT 227-255 SEVENTH STREET (BATMALE SITE); SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Commissioner Palamountain put forth a motion to adopt item 4 (j).
Commissioner Romero seconded the motion.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING, MR. SINGH AND MR. YEE ABSENT) THAT ITEM 4 (j) RESOLUTION NO. 175-2003, AUTHORIZING A FIRST AMENDMENT TO A TAX INCREMENT GRANT AGREEMENT WITH SAN FRANCISCO MEDICAL CENTER OUTPATIENT IMPROVEMENT PROGRAMS, INC. (COMMONLY KNOWN AS THE SOUTH OF MARKET HEALTH CENTER), A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$1,420,917, TO MODIFY CERTAIN TERMS, IN CONJUNCTION WITH THE ACQUISITION, PREDEVELOPMENT, AND CONSTRUCTION OF AN APPROXIMATELY 20,000 SQUARE FOOT HEALTH CLINIC FACILITY AT 227-255 SEVENTH STREET (BATMALE SITE); SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.
6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS None.
7. REPORT OF THE PRESIDENT
 - President Sexton recalled earlier statements by Mr. John Melone of the Homeless Senior Task Force and Commissioner Dunlop about the fixed-income of the frail and homeless elderly population targeted for the

Mission Creek Senior project and pointed out the disparity between the actual fixed-incomes of the seniors and the income limitations of the Area Median Income for very low-income persons, and that the Agency did not regulate nor restrict a required number of units for people with fixed-incomes.

Executive Director Rosen stated that staff would check the transaction documents and report back to the Commission.

- President Sexton recalled the earlier controversy with the Central Freeway parcels' developer selection, in particular Commissioner Yee's etiquette and threatened departure from the meeting left her disappointed and astonished. Ms. Sexton informed that she would write a memorandum to the Commission about decorum at Commission meetings and how important it is to stay committed and dedicated to the conduct of the public's business and welfare.

8. REPORT OF THE EXECUTIVE DIRECTOR

- First meeting of the Western Addition Citizens' Advisory Committee on November 20th at 6:00 p.m. in the Agency offices. Staff had confirmed attendance from 13 of the 15 appointed members.
- Special meeting of the PIDC on November 25th at 5:00 p.m. in the Agency offices.
- Museum of the African Diaspora event and fundraising on December 1st at the Forum in the Yerba Buena Center for the Arts, from 6:00 to 9:00 p.m.
- Fillmore holiday celebration and dedication of the plaza scheduled for December 6th, with more details to come.
- The recently approved ground lease of the Plaza Hotel to the PIDC by the Agency Commission was scheduled for consideration by the Board of Supervisors on December 9th.
- Celebration of San Francisco's affordable housing accomplishments during Mayor Brown's administration on December 16th at 6:00 p.m. at the Green Room of the War Memorial building at 401 Van Ness Avenue.
- Groundbreaking for the Mission Creek Senior project on December 10th at 10:00 a.m., 201 Berry Street.

- Dudley Hotel reopening and Plaza Hotel groundbreaking on December 18th at 10:00 a.m., 172 Sixth Street.
- Happy and Healthy Thanksgiving to the Commission and the public.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Palamountain apologized for coming late to the meeting and thanked radio station KPOO for broadcasting the Agency Commission meeting. Ms. Palamountain publicly thanked Mr. Olson Lee for being one of the true heroes of the municipal family in San Francisco. Ms. Palamountain shared that Mr. Lee received a public managerial excellence award for his work on affordable housing in San Francisco and stated that Mr. Lee deserve the honor and was proud to work with him on the various Agency projects.

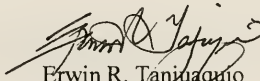
10. CLOSED SESSION:

- (a) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators with respect to price and terms of payment for the acquisition of property. The property under consideration is one of the Central Freeway parcels and the party with whom the Agency may negotiate is the City and County of San Francisco. Agency negotiators: Marcia Rosen, Ayisha Benham, Joanne Sakai, James Morales, Olson Lee, and Kate Hartley.

11. ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Ms. Palamountain, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:56 p.m.

Respectfully submitted,


Erwin R. Tanjanguio
Agency Secretary

APPROVED:

December 2, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
2ND DAY OF DECEMBER 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 2nd day of December 2003, at the place and date duly established for holding of such a meeting.

President Michelle W. Sexton called the meeting to order at 4:10 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting. Ms. Sexton informed the public that an overflow room had been provided in Room 408.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Michelle W. Sexton, President (departed at 7:29 p.m.)
Ramon E. Romero, Vice-President
Mark Dunlop
Leroy King (arrived at 4:14 p.m.)
Kathryn C. Palamountain
Darshan Singh (arrived at 4:14 p.m.)

And the following were absent:

Benny Y. Yee

Marcia Rosen, Executive Director and staff members were also present.

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2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.

3. MATTERS OF UNFINISHED BUSINESS:

Continued from the November 18, 2003 Commission Meeting

- 3 (a)** Resolution No. 173-2003, Authorizing a Personal Services Contract with On Target Delivery Service from December 1, 2003 through November 30, 2006 in an amount not to exceed \$35,000 during the initial 12 month term, increased by changes to the consumer price index for the two 12-month periods beginning on December 1, 2004 and December 1, 2005, subject to appropriation

Presenters: Ora Meacham (Agency staff)

Speakers: Adolphe Philoxene

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING, MR. SINGH AND MR. YEE ABSENT) THAT ITEM 3 (a) RESOLUTION NO. 173-2003, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH ON TARGET DELIVERY SERVICE FROM DECEMBER 1, 2003 THROUGH NOVEMBER 30, 2006 IN AN AMOUNT NOT TO EXCEED \$35,000 DURING THE INITIAL 12 MONTH TERM, INCREASED BY CHANGES TO THE CONSUMER PRICE INDEX FOR THE TWO 12-MONTH PERIODS BEGINNING ON DECEMBER 1, 2004 AND DECEMBER 1, 2005, SUBJECT TO APPROPRIATION, BE ADOPTED.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a)** Approval of Minutes: Meeting of November 18, 2003

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. SINGH ABSTAINED AND MR. YEE ABSENT) THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF NOVEMBER 18, 2003, BE ADOPTED.

At this time, approximately 4:19 p.m., the Commission recessed to consider items on the Financing Authority Agenda.

The City and County of San Francisco Redevelopment Financing Authority met in a special meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:20 p.m. on the 2nd day of December 2003, at the place and date duly established for holding of such a meeting.

- 1 (a) Resolution No. 2-2003, Authorizing the issuance of 2004 Series A Tax Allocation Refunding and Capital Improvement Revenue Bonds and 2004 Series B Taxable Tax Allocation Refunding Revenue Bonds in an initial aggregate principal amount not to exceed \$90,000,000; Approving Forms of Indentures of Trust, Loan Agreements and Official Statement, Authorizing the competitive sale of the bonds, and Authorizing and Approving other matters properly related thereto

Presenters: Mario Menchini (Agency staff)

Board member Singh asked what the interest rates and maturing dates were for the bond issuances.

Mr. Mario Menchini, Senior Financial Analyst, stated that the Series A tax-exempt bonds had an interest rate of 4-1/4% with a maturing date of 2021. The Series B taxable bonds had an interest rate of 3% with a maturing date of 2007.

Board President Sexton requested that the finance team be introduced.

Mr. Menchini introduced Mr. John Harrison, co-bond counsel with the Law Offices of Harrison, Taylor, Mr. James Copeland, co-bond counsel with Sidley Austin Brown & Wood LLP, Mr. Leonard Berry, co-financial advisor with Backstrom McCarley Berry & Co., LLC, Mr. Dennis Ciocca and Mr. Richard Ess, co-financial advisors with Sutter Securities Incorporated.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 1 (a) RESOLUTION NO. 2-2003, AUTHORIZING THE ISSUANCE OF 2004 SERIES A TAX ALLOCATION REFUNDING AND CAPITAL IMPROVEMENT REVENUE BONDS AND 2004 SERIES B TAXABLE TAX ALLOCATION REFUNDING REVENUE BONDS IN AN INITIAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$90,000,000; APPROVING FORMS OF INDENTURES OF TRUST, LOAN AGREEMENTS AND OFFICIAL STATEMENT, AUTHORIZING THE COMPETITIVE SALE OF THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATED THERETO, BE ADOPTED.

3. Adjournment

It was moved by Mr. Dunlop, seconded by Mr. Romero, and unanimously carried that the Financing Authority meeting be adjourned. The meeting adjourned at 4:27 p.m.

The Commission reconvened at 4:28 p.m. to consider the remaining Agenda

REGULAR AGENDA

- 4 (b)** Resolution No. 176-2003, Authorizing the execution of Loan Agreements in an aggregate principal amount not to exceed \$90,000,000 relating to the issuance of 2004 Series A Tax Allocation Refunding and Capital Improvement Revenue Bonds and 2004 Series B Taxable Tax Allocation Refunding Revenue Bonds by the City and County of San Francisco Redevelopment Financing Authority, Approving the Final Official Statement relating to the bonds, and Authorizing and Approving other matters properly relating thereto; Hunters Point Redevelopment Project Area, India Basin Industrial Park Redevelopment Project Area, Rincon Point-South Beach Redevelopment Project Area, Western Addition Redevelopment Project Area A-2; and Yerba Buena Center Redevelopment Project Area/and the merged Embarcadero-Lower Market ("Golden Gateway") Project Area/South of Market Earthquake Recovery Project Area/Federal Office Building Project Area

Presenters: Mario Menchini (Agency staff)

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (b) RESOLUTION NO. 176-2003, AUTHORIZING THE EXECUTION OF LOAN AGREEMENTS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$90,000,000 RELATING TO THE ISSUANCE OF 2004 SERIES A TAX ALLOCATION REFUNDING AND CAPITAL IMPROVEMENT REVENUE BONDS AND 2004 SERIES B TAXABLE TAX ALLOCATION REFUNDING REVENUE BONDS BY THE CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY, APPROVING THE FINAL OFFICIAL STATEMENT RELATING TO THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO; HUNTERS POINT REDEVELOPMENT PROJECT AREA, INDIA BASIN INDUSTRIAL PARK REDEVELOPMENT PROJECT AREA, RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2; AND YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA/AND THE MERGED EMBARCADERO-LOWER MARKET ("GOLDEN GATEWAY") PROJECT AREA/SOUTH OF MARKET EARTHQUAKE RECOVERY PROJECT AREA/FEDERAL OFFICE BUILDING PROJECT AREA, BE ADOPTED.

- 4 (c) Resolution No. 177-2003, Approving an amendment to the budget of the Redevelopment Agency of the City and County of San Francisco for fiscal year 2003-04 by increasing the Agency's tax increment receipts in the amount of \$3,373,160 and expenditure authority in an amount not to exceed \$13,400,000, Authorizing a Cooperation Agreement with the City and County of San Francisco; and Authorizing the Agency to increase its annual statement of indebtedness in the amount of \$3,373,160; all Redevelopment Project Areas

Presenters: Mario Menchini (Agency staff)

Commissioner Palamountain inquired about the \$1.9 million pre-payment and if the Agency had properties identified for the payment.

Executive Director Marcia Rosen stated that staff was diligently working with the Mayor's Office and the Department of Real Estate to identify parcels, but there were no parcels identified at the present time. When such properties were identified, they would be brought before the Commission in a closed session meeting to request authority to negotiate. Ms. Rosen added that there was no time limit stipulated in the Cooperation Agreement with the City to identify a parcel, but staff was working diligently to identify an appropriate parcel for affordable housing development as soon as possible as the City was desirous of the Agency to proceed with the transaction.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 177-2003, APPROVING AN AMENDMENT TO THE BUDGET OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO FOR FISCAL YEAR 2003-04 BY INCREASING THE AGENCY'S TAX INCREMENT RECEIPTS IN THE AMOUNT OF \$3,373,160 AND EXPENDITURE AUTHORITY IN AN AMOUNT NOT TO EXCEED \$13,400,000, AUTHORIZING A COOPERATION AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO; AND AUTHORIZING THE AGENCY TO INCREASE ITS ANNUAL STATEMENT OF INDEBTEDNESS IN THE AMOUNT OF \$3,373,160; ALL REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

- 4 (d) Resolution No. 178-2003, Authorizing the Executive Director to execute the Term Sheet for the joint development, with Myers Development Company, a California corporation; Citizens Housing Corporation, a California public benefit corporation; Tenderloin Neighborhood Development Corporation, a California public benefit corporation; the City and County of San Francisco, a municipal corporation; regarding a mixed-use office and residential project at 10th and Market Streets; Citywide Tax Increment Housing Program; Mid-Market Redevelopment Survey Area

Presenters: Olson Lee (Agency staff)

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 178-2003, AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE TERM SHEET FOR THE JOINT DEVELOPMENT, WITH MYERS DEVELOPMENT COMPANY, A CALIFORNIA CORPORATION; CITIZENS HOUSING CORPORATION, A CALIFORNIA PUBLIC BENEFIT CORPORATION; TENDERLOIN NEIGHBORHOOD DEVELOPMENT CORPORATION, A CALIFORNIA PUBLIC BENEFIT CORPORATION; THE CITY AND COUNTY OF SAN FRANCISCO, A MUNICIPAL CORPORATION; REGARDING A MIXED-USE OFFICE AND RESIDENTIAL PROJECT AT 10TH AND MARKET STREETS; CITYWIDE TAX INCREMENT HOUSING PROGRAM; MID-MARKET REDEVELOPMENT SURVEY AREA, BE ADOPTED.

Items 4 (e) and 4 (f) were presented together and acted upon separately.

- 4 (e)** Resolution No. 179-2003, Authorizing the Executive Director to execute a Disposition and Development Agreement between the Redevelopment Agency of the City and County of San Francisco and Lennar/BVHP, LLC, a California limited liability company, doing business as Lennar/BVHP Partners, for the development of Phase I of the Hunters Point Naval Shipyard; Hunters Point Shipyard Redevelopment Project Area
- 4 (f)** Resolution No. 180-2003, Authorizing an Amended and Restated Exclusive Negotiations Agreement with Lennar/BVHP, LLC, a California limited liability company, as the primary developer of the remainder of Hunters Point Shipyard; Hunters Point Shipyard Redevelopment Project Area

Presenters: Don Capobres, Jesse Blout (Agency staff)

Speakers: Mayor Willie L. Brown, Jr., Supervisor Sophie Maxwell, Linda Richardson, Percy Pinkney, Rex Whisnapp, Piero Patri, Helen Jones, Alma Robinson, Leon Monroe, Andrew Bozeman, Francisco Da Costa, Maurice Campbell, Ellen Hayes, Angelo P. King, Al Norman, Lani Asher, Walter Johnson, Fred Jordan, Marie Harrison, Willie Ratcliff, Norma Faris Taylor, Saul Bloom, Rev. Edgar Boyd, Wallace Shepherd, Sr., Douglas Perry, Jeffrey Sweeney, Alvin Jones, Bianca Henry, Lynne Brown, Derek Toliver, Pat Lakey, Jesse Mason, Kevyn Lutton, Michael Strausz, Sealeimalietoa Ripley, Lisa Lulu, Kel Magee, Kevin Epps, Marcia Dale-Lewinter, Daniel Fross, Eve Bach, Derek Smith, Darryl Bishop, Robert Wade, Fred Pecker, Dr. George Davis, Pello Smith, Will Bass, Derf Butler, Doris M. Vincent, Willie Kennedy

President Sexton informed that she would have to leave the meeting and go back to work so she would not be able to vote on the approval of the Disposition and Development Agreement (DDA) and the Exclusive Negotiations Agreement (ENA) for the Hunters Point Shipyard. Ms. Sexton stated her support for the DDA and the ENA and hoped that the Commission would speak in a unified voice on their approval. Ms. Sexton stated that she took to heart the public testimony given not only at the Commission meeting, but also the public input during the past year on the DDA and how impressed she was with the public process. Ms. Sexton commended Agency staff for its dedication, commitment and hard work on the very complex DDA and expressed heartfelt gratitude and admiration to staff and how proud she was to be on the Commission. Ms. Sexton acknowledged the enormous community participation and the tremendous strides staff had made in its outreach to all segments of the Bayview Hunters Point community and commended the community's involvement and tenacity, whether they supported the DDA or not. Ms. Sexton shared that the City of Oakland recently adopted a redevelopment plan and unlike the Shipyard project, there was hardly any community input and it was that kind of resolve and persistence that separates San Franciscans in their passion for not only their respective communities, but also the rest of the City. Ms. Sexton stated she believed that for the most part, the DDA addressed the issues and concerns raised by the community and public at large.

Ms. Sexton recalled an earlier testimony about how a developer is defined in the DDA and asked if that meant a developer must be from the Bayview Hunters Point community regardless of where its employees resided.

Mr. Jesse Blout, Special Projects Manager, affirmed that was the definition for a community builder and was further defined by zip code.

Executive Director Rosen pointed out that the testimony referred to by President Sexton was in reference to the definition of a "community builder" in the context of the 30% of the market-rate for Lennar sites, for which Lennar was required to either have a joint venture with a "community builder" or offer the site to a community builder. The definition did not restrict the builders eligible for the Agency parcels. The Agency would recruit a broader range of developers depending on the expertise needed for the development of its parcels and would certainly consider "community builders," but would not exclude developers with special expertise for the housing type that was desired.

President Sexton noted that the Citizens' Advisory Committee (CAC) had conditioned its support for the approval of the DDA with the inclusion of its recommendations, and stated she understood that the majority of the recommendations from the CAC had been incorporated. Ms. Sexton asked if there was open and continuing dialogue with the CAC as the process moved forward.

Mr. Blout stated that staff paid particular attention in the careful review of the CAC's recommendations, which numbered over 70, 56 of which were directly incorporated in the DDA, which resulted in a much stronger document. Mr. Blout added that recommendations on employment and training from people like Dwayne Jones of Young Community Developers as well as specific recommendations on environmental issues from Saul Bloom of Arc Ecology were very useful in strengthening those components of the DDA. Mr. Blout stated that the remaining recommendations required further analysis and community input in three areas of concerns: (1) the use of Agency revenues for community benefits, (2) the six acres of land set aside for community facilities and specific uses, and (3) the nature of the affordable housing program on Agency. The CAC continued to have concerns with these matters and recognized the need for further discussion and analysis, and the structure of the DDA would allow for such further discussion with the CAC and the community-at-large.

President Sexton asked how staff would engage the community's participation through the close of escrow and specific outreach efforts that staff would employ to broaden the public's input beyond the immediate community. Ms. Sexton recalled earlier testimony from members of the younger generation and pointed out that they were not officially represented not only on the CAC, but also from the broader community. Ms. Sexton stated that residents of the Bayview community as well as other communities traveled out of their immediate communities into other parts of the City and it was important to develop creative ways of reaching out beyond the Bayview and into the broader City limits to increase the awareness on the efforts in the Shipyard and garner even more participation, in addition to the tremendous outreach that staff had already done.

Mr. Don Capobres, Project Manager, stated that the CAC had a young person representing the younger generation who received a scholarship to further his education and had since gone back east to do so. Mr. Capobres acknowledged the need to fill that vacated position in the CAC and assured the Commission that staff would work with the community. Mr. Capobres assured the Commission that staff would double its efforts to broaden the outreach beyond the Bayview community and in that effort, shared that in addition to meeting with faith-based organizations, staff met with the Parent/Teachers Association as a way of doing "out of the box" outreach.

President Sexton stated that the proposed phasing of the project was very good with the understanding that no development would occur until the parcels were environmentally cleaned-up and the closing of escrow was conditioned upon resolution of the conditions embodied in the CAC's recommendations was a good solution to a very complex transaction that ensured the opportunity for continued dialogue with the community. Ms. Sexton reiterated her support for the approval of the DDA and that she

wholeheartedly supported staff's recommendation and urged the Commission to approve the DDA and ENA with Lennar/BVHP, even though she would not be able to vote.

President Sexton relinquished the chair to Vice-President Romero and departed the meeting (approximately 7:29 p.m.).

Commissioner Palamountain commended staff for its hard work and steadfastness in negotiating the DDA, as well as the community's commitment to a very important project. Ms. Palamountain stated that the work was just beginning even if the DDA was approved, and she took to heart the public's resonating concerns about promises that have not been kept. Although she was not a member of the Commission during the early redevelopment days, she was not proud of the past ills and was committed to not repeat the same mistakes. Ms. Palamountain stated she welcomed the community's scrutiny and was very sensitive to the community benefits package component of the DDA. Ms. Palamountain stated she was excited about young people in attendance at the meeting even though they were not enthusiastic about the approval of the DDA, and encouraged staff to fill the vacant position in the CAC and come up with alternative outreach strategies. Ms. Palamountain recalled earlier testimony from the Samoan community and urged staff to do much better in the outreach efforts beyond the tremendous outreach that had already been done. Ms. Palamountain acknowledged that the environmental concerns rested not with the developer but the Navy and expressed her continuing concerns with environmental cleanup issues, in particular the methane and the unfinished radiological surveys and stated that it did not matter how much time and energy had been spent on the project, she would not vote for conveyance until the environmental issues have been addressed.

Commissioner Palamountain stated that protection of the artist community in the Shipyard was dealt with in the interim lease, but the DDA leaves the long-term viability of the artists an open question and advised that the Commission would be monitoring the issue because the artists represented an important and vital part of the Shipyard community. Ms. Palamountain asked staff to provide an overview of the proposed affordable housing program in the Shipyard and to contrast it with the affordable housing program in Mission Bay.

Mr. Olson Lee, Assistant Deputy Executive Director, stated that the affordable housing program in Mission Bay was used as a standard in the negotiations for the Shipyard not only to meet the goals, but also exceed them. One of the goals was to exceed the amount of affordable housing required by State law and an equitable distribution of affordable housing project-wide. In addition, specific types of affordable housing were to be identified in order to meet specialized housing needs, such as frail elderly

housing in the Mission Creek Senior project at Mission Bay. Mr. Lee stated these were just some of the principles that were negotiated in the Shipyard DDA that have resulted in a housing proposal that would exceed what had been accomplished in Mission Bay. In addition to the 20% affordable housing set-aside for the whole project, there was also a developer inclusionary requirement of 15% for each individual parcel. Moreover, the goal for the Shipyard was to exceed the usual depth of the affordability levels in order to meet the lower-income limits of the 94124 area, specifically lower than the traditional Area Median Income.

Commissioner Palamountain stated that the community had expressed a great deal of interest in the homeownership program proposed for the Shipyard and shared her own concerns with the Agency's current program of limited equity and shared appreciation models, in that there was tremendous cost in maintaining the affordability of such homeownership units, because a substantial new public subsidy was required each time the unit was resold. Ms. Palamountain explained that for the proposed 268 homeownership units in the Shipyard, there could be significant financial burden upon the Agency to retain the units as affordable should owners opt to sell. Ms. Palamountain stated that she would be bringing these concerns to the table as the affordable homeownership program was further developed and urged staff to be forthright in communicating with the community.

Commissioner Palamountain thanked staff for developing standards for the community benefits with the support of the community and lent her support for the standards. Ms. Palamountain asked how employment and small business contracting were addressed in the Shipyard DDA given the Agency's experience with small business contracting problems in Mission Bay.

Mr. Chris Iglesias, Contract Compliance and Fiscal Services Manager, stated that one of the things that staff learned from the contracting in Mission Bay was the financing of specific work tasks for small contractors even with the great participation of minority and women-owned businesses, and the way this was addressed in the Shipyard was the inclusion of a prompt-payment clause particularly in the infrastructure work.

Mr. Capobres added that staff determined that the appropriate place to include the prompt-payment clause was in the "acquisition agreement" related to the community facilities district. Mr. Capobres stated that the prompt-payment clause was part of the conditions for closing, and the acquisition agreement would come before the Commission for its consideration.

Commissioner Palamountain noted that the Addendum to the Final Environmental Impact Report (FEIR) found that there would be no significant environmental impacts with the development of Parcels A and B, and asked if additional environmental analysis would be needed when Parcel C was ready for development or would there be cumulative impacts resulting from the development of Parcels A and B in addition to Parcel C and the other parcels.

Ms. Elaine Warren, Deputy City Attorney, stated that the FEIR looked at two time frames consistent with the proposed phased development of the Shipyard with the first time frame of 2003 through 2010, during which Parcels A and B were contemplated to be developed. The other longer time frame was through 2025 for full project build out. The Addendum to the FEIR primarily focused on Phase I, the development of Parcels A and B that were contemplated to be developed during the shorter time frame, to the year 2010, and the development team had new information about Parcels A and B including research and development as well as office uses that actually resulted in less environmental impacts compared to what was analyzed by the FEIR. There was not enough information at the present time regarding the full project build out and that was why the Addendum focused only on Parcels A and B. The intent was that as newer and better information about Parcel C and the other parcels became available, staff would look at the FEIR analysis for the two time frames and determine the need for additional environmental analysis. Ms. Warren added that the Addendum explained the need to have more information about the amount and nature of proposed development following cleanup of the other parcels.

Commissioner Palamountain expressed skepticism that Parcel C and D would be developed and stated that if she was to assume that the community and the Agency's conditions were to be met prior to finalizing the development scenarios for the latter parcels, what could be assumed to be developed beyond Parcels A and B.

Mr. Blout stated that the development of the latter parcels was dependent upon the Navy's process of remediation and conveyance to the City, and that everyone was aware that cleanup would take time and it was unknown when the latter parcels would be conveyed. Mr. Blout assured the Commission that Parcels C, D and E would be conveyed to the City/Agency and would in fact be developed, but it was difficult to say in what time frame that would occur. Mr. Blout added that within the next few months staff would know more about the Navy's progress and would report back to the Commission.

Commissioner Palamountain referred to the Preliminary Budget chart in the DDA and asked for an explanation of a line item described as a cost deferred to Phase II in the amount of \$3 million.

Mr. Blout explained that staff had negotiated a predevelopment cap for Lennar at \$20 million, but the reality was that Lennar had spent more than \$20 million on the project to date. There were concerns expressed about Lennar “walking away” after development of Phase I (Parcels A and B) but deferring repayment of certain costs to Phase II would serve as a disincentive to do so because Lennar would not be made whole for its initial investment until Phase II. Further, Lennar would not get a return on that \$3 million. Mr. Blout pointed out that all of the financial transactions including Lennar’s expenditures would be subject to an independent third-party audit.

Commissioner Palamountain referred to the projected cash flow chart that indicated infrastructure costs at \$64.5 million and noted that \$60.5 million in land-sale proceeds had been projected, which would be shared between Lennar at 40% and the Agency at 60%. Ms. Palamountain asked if the share in the percentages would increase should there be cost overruns in the infrastructure work and who would have the burden of the cost overruns.

Mr. Blout responded there would be no change in the share of the proceeds with cost overruns. Mr. Blout added that the idea behind having a master developer was to provide efficiency and financial wherewithal in the construction of not only the infrastructure, but also any potential vertical development. Since the DDA requires the developer to guarantee the completion of the infrastructure, Lennar bears the risk of cost overruns.

Commissioner Palamountain put forth a motion to adopt item 4 (e) and stated that she made the motion not because the DDA was a perfect deal, but that it was a good place to embark upon the development of the Shipyard.

Commissioner Dunlop thanked Commissioner Palamountain for her thorough questions, which answered many of his own questions. Mr. Dunlop thanked the public for coming to the meeting to voice its concerns, especially members of the CAC for the hundreds of hours of hard work on the DDA. Mr. Dunlop assured the public that there would be other opportunities to not only address the Commission, but also participate in the development process, and urged the public to let the Agency know if they have not been kept informed or any suggestions to improve the outreach. Mr. Dunlop expressed his appreciation to Lennar and staff for the great outreach, but suggested that more could be done. Mr. Dunlop stated that he would support the approval of the DDA, but he still had concerns with the conveyance of the parcels particularly the cleanup of the toxics on adjacent parcels and that neither he nor any Commissioner would ever approve housing that may have the potential of being contaminated, especially in a community that has long suffered environmental problems. Mr. Dunlop stated that environmental problems should be addressed proactively and deliberately not only for the Shipyard, but the whole Bayview community. Mr. Dunlop stated that he would not approve conveyance until the environmental issues have been fully addressed. Mr. Dunlop assured the

public that addressing homelessness issues was a top priority for the Commission. With regard to the affordable homeownership program, he agreed that without restrictions on the resale of the subsidized units, the Agency's limited financial resources would be depleted and it would not be able to maintain the affordability of the units. Mr. Dunlop stated that the process had taken so long that he was not sure how he would vote, but with the additional opportunity for further community involvement, he was poised to support the approval of the DDA and seconded Commissioner Palamountain's motion to adopt item 4 (e).

Commissioner Singh stated he also had a lot of concerns, but were adequately covered by Commissioners Palamountain and Dunlop. Mr. Singh thanked and commended staff for its hard work as well as the CAC for its commitment and how pleased he was to see many people in attendance at the meeting. Mr. Singh recalled earlier testimony that there were 40 meetings held in one month in the community and thought that was a bit much and asked how the public was notified of the meetings.

Mr. Capobres informed the Commission that was a misstatement and there were actually 40 meetings over the seven-week period of reviewing the DDA. Mr. Capobres stated that extensive mailings were done, and that Lennar did a great job on the outreach, including news advertisements and KPOO radio announcements.

Commissioner Singh emphasized that the approval of the DDA was just the start of the development of the Shipyard and urged the public to let the Agency know how it can do a better job of letting them know about the project. Mr. Singh lent his support for a very good project.

Commissioner King stated he was in favor of approving the DDA and unlike Mission Bay who had one private owner who was also the developer, the Shipyard parcels had to undergo a very complicated transfer procedure from the Navy in addition to selecting a master developer for the whole Shipyard. Mr. King stated there had been enough time to negotiate with the developer and the project should move forward. Mr. King stated he believed that there was adequate protection for the artists and the Shipyard could not be compared to Mission Bay because the selected master developer had to spend its own money for the predevelopment costs. Mr. King stated that the approval of the DDA should not be delayed any longer and he was confident that environmental problems would be resolved and conveyance would proceed with all the safeguards that staff had included. Mr. King pointed out that there had been an open public process throughout and recalled attending many of the community meetings. He urged staff to continue working with the CAC and the whole Bayview community. Mr. King suggested that the DDA should be approved so that development could start.

Acting President Romero reminded that he did not support the selection of Lennar/BVHP in 1999, but now believed that Lennar had performed responsibly and had done a good job with the outreach to the community at large. Mr. Romero stated he did not agree that there was not enough outreach because the Agency had heard from hundreds of people throughout the long process and staff had taken into consideration all of the public's input. The reality was that not everyone could get 100% of what they wanted. Mr. Romero complimented staff for doing a great job and opined that the negotiated DDA represented the best deal at the present time under the circumstances.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. SEXTON AND MR. YEE ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 179-2003, AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO AND LENNAR/BVHP, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, DOING BUSINESS AS LENNAR/BVHP PARTNERS, FOR THE DEVELOPMENT OF PHASE I OF THE HUNTERS POINT NAVAL SHIPYARD; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MS. SEXTON AND MR. YEE ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 180-2003, AUTHORIZING AN AMENDED AND RESTATED EXCLUSIVE NEGOTIATIONS AGREEMENT WITH LENNAR/BVHP, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AS THE PRIMARY DEVELOPER OF THE REMAINDER OF HUNTERS POINT SHIPYARD; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (g) Resolution No. 181-2003, Authorizing a Fourth Amendment to the Personal Services Contract with McCoy's Patrol Service, a California corporation, for security services at the Hunters Point Shipyard to extend the contract for a term not to exceed nine months and increase the contract amount by \$200,000 for a total aggregate amount not to exceed \$730,000; Hunters Point Shipyard Redevelopment Project Area

Presenters: Don Capobres (Agency staff)

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. SEXTON AND MR. YEE ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 181-2003, AUTHORIZING A FOURTH AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH MCCOY'S PATROL SERVICE, A CALIFORNIA CORPORATION, FOR SECURITY SERVICES AT THE HUNTERS POINT SHIPYARD TO EXTEND THE CONTRACT FOR A TERM NOT TO EXCEED NINE MONTHS AND INCREASE THE CONTRACT AMOUNT BY \$200,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$730,000; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (h) Resolution No. 182-2003, Authorizing a one year extension to the Technical Assistance Contract with the Corporation for Supportive Housing, a Delaware-based nonprofit corporation, in an amount not to exceed \$100,000, for as-needed technical assistance services to supportive housing developers and operators; Citywide Tax Increment Housing Program

Presenters: Chris Harris (Agency staff)

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 4 (h) RESOLUTION NO. 182-2003, AUTHORIZING A ONE YEAR EXTENSION TO THE TECHNICAL ASSISTANCE CONTRACT WITH THE CORPORATION FOR SUPPORTIVE HOUSING, A DELAWARE-BASED NONPROFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$100,000, FOR AS-NEEDED TECHNICAL ASSISTANCE SERVICES TO SUPPORTIVE HOUSING DEVELOPERS AND OPERATORS; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- 4 (i) Resolution No. 183-2003, Authorizing exclusive negotiations with OLMM Consulting Engineers, a California Corporation, for a consulting contract to prepare seismic retrofit construction documents for the Municipal Railway Substation building at 1140 Fillmore Street; Western Addition Redevelopment Project Area A-2

Presenters: Su-Syin Chou (Agency staff)

Commissioner Singh asked how the contract was advertised, specifically if it was advertised in an Indian newspaper.

Ms. Su-Syin Chou, Senior Civil Engineer, stated that staff followed Agency advertising procedures including advertisement in local and ethnic newspapers in the City and the Bay Area.

Mr. Iglesias added that the contract was advertised as part of normal Agency procedures, in the City's Bid and Purchase Opportunity Newsletter, which was accessible to everyone including Indian-American contractors.

Commissioner Singh asked that the Agency's contract advertising procedures be provided to him.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. SEXTON AND MR. YEE ABSENT) THAT ITEM 4 (i) RESOLUTION NO. 183-2003, AUTHORIZING EXCLUSIVE NEGOTIATIONS WITH OLMM CONSULTING ENGINEERS, A CALIFORNIA CORPORATION, FOR A CONSULTING CONTRACT TO PREPARE SEISMIC RETROFIT CONSTRUCTION DOCUMENTS FOR THE MUNICIPAL RAILWAY SUBSTATION BUILDING AT 1140 FILLMORE STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

- 4 (j) Resolution No. 184-2003, Authorizing a First Amendment to the Cooperative Agreement with the Public Initiatives Development Corporation, a California nonprofit public benefit corporation, to modify certain terms relating to contracting procedures and policies for the development of 106 very-low income rental units, ground floor commercial space and the replacement of Bindlestiff Studio at 988 Howard Street; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Vanessa Dandridge (Agency staff)

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MS. SEXTON AND MR. YEE ABSENT) THAT ITEM 4 (j) RESOLUTION NO. 184-2003, AUTHORIZING A FIRST AMENDMENT TO THE COOPERATIVE AGREEMENT WITH THE PUBLIC INITIATIVES DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO MODIFY CERTAIN TERMS RELATING TO CONTRACTING PROCEDURES AND POLICIES FOR THE DEVELOPMENT OF 106 VERY-LOW INCOME RENTAL UNITS, GROUND FLOOR COMMERCIAL SPACE AND THE REPLACEMENT OF BINDLESTIFF STUDIO AT 988 HOWARD STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (k) Resolution No. 185-2003, Authorizing a First Amended and Restated Subordinated Promissory Note with 1550 Sutter Associates, a California limited partnership, modifying the repayment terms and obligations, in an amount not-to-exceed \$300,000, a First Amendment to the Tax Regulatory Agreement, a First Supplement to Trust Indenture, a First Supplement to Loan Agreement and all related documents and actions, all in connection with the restructuring of the Agency's \$34,135,000 Residential Facility Revenue Bonds (Coventry Park Project), Series 1996A and 1996B; Western Addition Redevelopment Project Area A-2

Presenters: Sean Spear (Agency staff)

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. SEXTON AND MR. YEE ABSENT) THAT ITEM 4 (k) RESOLUTION NO. 185-2003, AUTHORIZING A FIRST AMENDED AND RESTATED SUBORDINATED PROMISSORY NOTE WITH 1550 SUTTER ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP, MODIFYING THE REPAYMENT TERMS AND OBLIGATIONS, IN AN AMOUNT NOT-TO-EXCEED \$300,000, A FIRST AMENDMENT TO THE TAX REGULATORY AGREEMENT, A FIRST SUPPLEMENT TO TRUST INDENTURE, A FIRST SUPPLEMENT TO LOAN AGREEMENT AND ALL RELATED DOCUMENTS AND ACTIONS, ALL IN CONNECTION WITH THE RESTRUCTURING OF THE AGENCY'S \$34,135,000 RESIDENTIAL FACILITY REVENUE BONDS (COVENTRY PARK PROJECT), SERIES 1996A AND 1996B; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Michael Johnson, Derf Butler

7. REPORT OF THE PRESIDENT None.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Fillmore celebration on December 6th from 11:00 a.m. to 6:00 p.m. and would include Children's Holiday Festivities, Streetscape Dedication and Holiday Lights and Music.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Singh inquired about Mr. Michael Johnson's testimony about the Site X project in Hunters Point.

Executive Director Rosen informed the Commission that staff had responded in writing on November 21st to Mr. Johnson's letter to the Commission of November 7th, copies of which were provided to the Commission. Ms. Rosen advised the Commission that if it wanted a discussion on the matter, she would recommend scheduling a closed session meeting.

General Counsel James Morales added that the matter would be calendared as anticipated litigation.

Commissioner Dunlop put forth a motion to calendar a closed session meeting at a future Commission meeting to discuss the matter. Commissioner Singh seconded the motion.

Acting President Romero called for a voice vote, and the following voted "aye":

Mr. Dunlop
Mr. King
Mr. Romero
Mr. Singh

And the following voted "nay":

Ms. Palamountain

And the following were absent:

Ms. Sexton
Mr. Yee

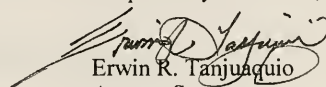
Acting President Romero declared that the motion carried and asked staff to schedule the closed session meeting at a future Commission meeting.

10. **CLOSED SESSION:** None.

11. **ADJOURNMENT**

It was moved by Mr. Singh, seconded by Mr. Dunlop, and unanimously carried that the meeting be adjourned. The meeting adjourned at 9:14 p.m.

Respectfully submitted,


Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

December 16, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF DECEMBER 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 16th day of December 2003, at the place and date duly established for holding of such a meeting.

President Michelle W. Sexton called the meeting to order at 4:00 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Michelle W. Sexton, President
Ramon E. Romero, Vice-President
Mark Dunlop
Leroy King (arrived at 4:05 p.m.)
Kathryn C. Palamountain
Darshan Singh (arrived at 4:05 p.m.)
Benny Y. Yee (arrived at 4:08 p.m. and departed at 6:13 p.m.)

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Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of December 2, 2003

- 4 (b) Resolution No. 186-2003, Authorizing a Fifth Amendment to the Disposition and Development Agreement with CB-1 Entertainment Partners LP, a California limited partnership, to modify the schedule of performance for the development of Parcel CB-1-MSC (the Connector Site) located along Yerba Buena Lane between Market and Mission Streets; Yerba Buena Center Redevelopment Project Area
- 4 (c) Resolution No. 187-2003, Authorizing a First Amendment to the financial adjustment factor Capital Loan Agreement with Mercy Housing XVII, L.P., a California limited partnership, in conjunction with the acquisition and rehabilitation of 68 very low-income rental units at Derek Silva Community, 1580-98 Market Street, San Francisco, California, to extend the rehabilitation completion date
- 4 (d) Resolution No. 188-2003, Authorizing a Second Amended and Restated Agency Payment Obligation with Mercy Housing California XVIII, L.P., a California limited partnership, and Citibank (West) FSB, to reduce the amount of the Agency's obligation from a maximum of \$6,000,000 to a maximum of \$2,590,000, plus applicable interest and other associated costs, to guarantee the payment of certain mortgage revenue bonds for the acquisition and rehabilitation of 72 units of very low-income senior rental housing at the Leland Polk Senior Community, 1301-1327 Polk Street; Citywide Tax Increment Housing Program

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. KING, MR. SINGH AND MR. YEE ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF DECEMBER 2, 2003, 4 (b) RESOLUTION NO. 186-2003, AUTHORIZING A FIFTH AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH CB-1 ENTERTAINMENT PARTNERS LP, A CALIFORNIA LIMITED PARTNERSHIP, TO MODIFY THE SCHEDULE OF PERFORMANCE FOR THE DEVELOPMENT OF PARCEL CB-1-MSC (THE CONNECTOR SITE) LOCATED ALONG YERBA BUENA LANE BETWEEN MARKET AND MISSION STREETS; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, 4 (c) RESOLUTION NO. 187-2003, AUTHORIZING A FIRST AMENDMENT TO THE FINANCIAL ADJUSTMENT FACTOR CAPITAL LOAN AGREEMENT WITH MERCY HOUSING XVII, L.P., A CALIFORNIA LIMITED PARTNERSHIP, IN CONJUNCTION WITH THE ACQUISITION AND REHABILITATION OF 68 VERY LOW-INCOME RENTAL UNITS AT DEREK SILVA COMMUNITY, 1580-98 MARKET STREET, SAN FRANCISCO, CALIFORNIA, TO EXTEND THE REHABILITATION COMPLETION DATE, AND 4 (d) RESOLUTION NO. 188-2003, AUTHORIZING A SECOND AMENDED AND RESTATED AGENCY PAYMENT OBLIGATION WITH MERCY

HOUSING CALIFORNIA XVIII, L.P., A CALIFORNIA LIMITED PARTNERSHIP, AND CITIBANK (WEST) FSB, TO REDUCE THE AMOUNT OF THE AGENCY'S OBLIGATION FROM A MAXIMUM OF \$6,000,000 TO A MAXIMUM OF \$2,590,000, PLUS APPLICABLE INTEREST AND OTHER ASSOCIATED COSTS, TO GUARANTEE THE PAYMENT OF CERTAIN MORTGAGE REVENUE BONDS FOR THE ACQUISITION AND REHABILITATION OF 72 UNITS OF VERY LOW-INCOME SENIOR RENTAL HOUSING AT THE LELAND POLK SENIOR COMMUNITY, 1301-1327 POLK STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

REGULAR AGENDA

4 (e) Election of President and Vice President (calendar year 2004)

MS. PALAMOUNTAIN NOMINATED MR. ROMERO FOR THE OFFICE OF PRESIDENT. MR. DUNLOP SECONDED THE NOMINATION.

President Sexton thanked her fellow Commissioners for a productive year and stated she was eager to relinquish the presidency and looked forward to participating in the Commission's deliberations. Ms. Sexton stated her support for Commissioner Romero to be elected Commission President and urged the Commission to join her in that support.

Commissioner King stated he was against the election taking place because the Mayor-elect had not had the opportunity to give his input on the Commission officers, as did Mayor Brown who selected Commissioner Sexton to be President. Mr. King stated he believed that the Mayor-elect would be making changes to various City Commissions including the Redevelopment Agency and the Commission should wait until it heard from the Mayor-elect.

Commissioner Singh stated he agreed with Commissioner King and his preference was to delay the election until the Mayor-elect was consulted.

Commissioner Romero stated he had served the Commission through at least five elections of officers and that he had direct conversations with Mayor Brown, who always made it clear that the election of officers was a matter to be decided by the Commission, in accordance with the Agency's by-laws. Mr. Romero stated that the Mayor may have asked Commissioners to support certain Commissioners of his choice, but he (Mr. Romero) had never been asked to support a specific Commissioner. Mr. Romero stated the Agency's by-laws state that the elections of officers take place at the last regular meeting of December and the Commission should abide by its by-

laws. Mr. Romero stated he understood Commissioners King and Singh's concerns, but if the incoming Mayor had views or concerns about the election of officers or any other item on the Agency's agenda, he would inform the Commission. Mr. Romero stated that the election should proceed.

Commissioner King stated the by-laws did not specifically state that the election occur in December and that it could take place in January. Mr. King stated that he did not have a problem with Commissioner Romero's nomination and would in fact vote for Mr. Romero, but the Commission should wait until the incoming Mayor had provided his input.

Commissioner Singh stated that as a courtesy to the incoming Mayor, the election should be delayed. Mr. Singh recalled that Mayor Brown asked him to support Commissioner Sexton as Commission President and that there was one other previous time when the Mayor asked him to support another Commissioner. Mr. Singh stated he believed that Commissioner Romero was the best candidate for President because he had served as Vice-President two previous times and would be a good President, but he would not vote for Commissioner Romero if the election was not delayed in order to extend courtesy to the incoming Mayor.

MS. PALAMOUNTAIN NOMINATED MR. ROMERO FOR THE OFFICE OF PRESIDENT. MR. DUNLOP SECONDED THE NOMINATION. ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop
Ms. Palamountain
Mr. Romero
Ms. Sexton

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Singh
Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (4) AYES AND THREE (3) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT THE NOMINATION CARRIED.

MS. SEXTON NOMINATED MR. DUNLOP FOR THE OFFICE OF VICE-PRESIDENT. MS. PALAMOUNTAIN SECONDED THE NOMINATION.

Commissioner King stated his same objection to the election taking place without input from the incoming Mayor. Mr. King stated that the Commission should show some respect to the incoming Mayor particularly when Commissioners Dunlop and Palamountain's terms were going to expire in September 2004. Mr. King stated he was not going to support Mr. Dunlop because his term was going to expire and the Mayor-elect may have other plans.

Commissioner Singh asked the Executive Director if the incoming Mayor was informed about the election of officers.

Executive Director Marcia Rosen stated that the Mayor's office was aware of the Agency's published agenda, but the Mayor-elect was not especially informed of the election.

Commissioner Singh stated he believed that Commissioner Dunlop was a good choice for Vice-President, but the Commission should extend the courtesy to the incoming Mayor to hear his input and delay the election.

Commissioner Yee recalled that Commissioner Dunlop initiated the complaint on his reappointment to the Commission by providing false information to members of the Board of Supervisors, but he did not want to make a big deal about it as his reappointment was confirmed by the Board of Supervisors with a vote of six to five. Mr. Yee agreed with Commissioner King's statements and pointed out that Commissioner Dunlop's reappointment was up in 2004. Mr. Yee stated that the integrity of individual Commissioners was very important and Mr. Dunlop's integrity was questionable and opposed his nomination. Mr. Yee stated that the Commission should respect the incoming Mayor and wait for his input and delay the election of officers.

Commissioner King asked the Executive Director if she notified Mayor Brown and the incoming Mayor about the election.

Executive Director Rosen responded that Mayor Brown was notified, but not the Mayor-elect.

Commissioner King stated he was concerned because Mayor Brown did not reappoint Commissioner Dunlop to another Commission and he (Commissioner King) stated that he was opposed to Mr. Dunlop being elected as an officer.

Commissioner Singh stated that he would vote for Commissioner Dunlop, but would not if the election was not delayed and the incoming Mayor consulted.

MS. SEXTON NOMINATED MR. DUNLOP FOR THE OFFICE OF VICE-PRESIDENT. MS. PALAMOUNTAIN SECONDED THE NOMINATION. ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop
Ms. Palamountain
Mr. Romero
Ms. Sexton

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Singh
Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (4) AYES AND THREE (3) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT THE NOMINATION CARRIED.

At this time, President Sexton relinquished the Chair to newly elected President Romero.

Items 4 (f) and 4 (g) were presented together and acted upon separately.

- 4 (f)** Resolution No. 189-2003, Authorizing a Tax Increment Loan Agreement with Valencia Gardens Housing Limited Partnership, a California limited partnership, in an amount not to exceed \$5,000,000, for predevelopment and construction of 52 very low income family rental units at 340-370 Valencia Street; Agency Citywide Affordable Housing Program
- 4 (g)** Resolution No. 190-2003, Approving the Replacement Housing Plan for Valencia Gardens, a 246-unit public housing development at 340-370 Valencia Street in the Mission District section of San Francisco; Agency Citywide Affordable Housing program

Presenters: Anne Romero (Mayor's Office of Housing)

Speakers: Gregg Fortner, Carlos Romero, Mary Helen Rogers, Kenneth Jones

Commissioner Dunlop put forth a motion to adopt item 4 (f). Mr. Dunlop stated that he appreciated hearing concerns from Mrs. Mary Rogers about the Housing Authority, but he understood there was a new team in place at the Housing Authority and things were improving. Mr. Dunlop asked staff to address the issue of meeting senior housing obligations on the Central Freeway parcels A and C.

Executive Director Rosen stated that the Section 8 units pledged for Parcels A and C helped enforce the Commission's policy direction of keeping the proposed senior housing units as affordable as possible, even for homeless seniors. The project-based Section 8 program was the primary means used to drive down the housing costs to serve very low-income people including people with no income, and replacing the lost units at Valencia Gardens with about one-third of the units on Parcels A and C helped restore very low-income units to the City's overall affordable housing inventory and further the goals of the Commission for Parcels A and C to make the units affordable to all members of the senior community regardless of their income. Ms. Rosen stated that the RFQ for the developments discussed the goal of acquiring Section 8 vouchers to ensure that extremely low-income seniors could reside there. The developments would have preference for Western Addition certificate holders that would apply to all of the units and those with project-based Section 8 would be on the Housing Authority's waiting list with the highest priority for homeless seniors. Ms. Rosen stated that the needs of the Housing Authority and the Agency to replace lost units at Valencia Gardens and the Agency's desire to make the units on Parcels A and C available to extremely low-income seniors were common goals that could be achieved.

Commissioner Singh stated that he had the same questions, but were already addressed by the Executive Director.

Commissioner King asked why there was objection to a workshop suggested by Mrs. Mary Rogers because he was a bit confused himself and a workshop would help clarify things. Mr. King recalled that there were problems with the Housing Authority's Plaza East housing development and suggested a workshop.

Commissioner Yee stated he agreed with the suggested workshop and agreed with Commissioner King's statements and his opposition to the project.

Commissioner Singh stated that it was a good idea to conduct a workshop because the Commission had conducted many workshops before.

Executive Director Rosen stated that Mr. Gregg Fortner of the Housing Authority or Ms. Anne Romero could respond to Commissioners' concerns, but she understood that there was a time constraint with the Hope VI application that may not allow for a Commission workshop. Ms. Rosen pointed out that the Valencia Gardens project was a Housing Authority and Mayor's Office of Housing project and the Agency had been requested to provide tax increment financing, so the Agency's role was that of a financing entity.

Mr. Gregg Fortner, Executive Director of the Housing Authority, stated that the Hope VI funds for Valencia Gardens were awarded in 1997 and there had been an extensive public process for the project. Mr. Fortner stated that there had been drastic cuts in Federal funding for the Hope VI program and the Department of Housing and Urban Development (HUD) had begun assessing penalties of \$1,000 a day for agencies that have not expended the allocated funds. Mr. Fortner assured the Commission that the Housing Authority was well aware of issues at the Plaza East project and pointed out that it was non-residents that caused nuisances in the development. The Housing Authority had hired private security and was working with the Police Department to abate nuisance activities. Mr. Fortner added that the Section 8 program was a difficult program to administer in San Francisco because Section 8 certificates were portable and when a certificate holder leaves San Francisco the City loses that housing unit, and project-based Section 8 was both an effective development tool as well as a means of keeping the affordable population in San Francisco.

Commissioner Sexton seconded Commissioner Dunlop's motion to adopt item 4 (f). Ms. Sexton stated that Commissioner King raised a good point about how the project-based Section 8 program worked and wanted more information about the program at a later time. Ms. Sexton inquired about the timing for the Valencia Gardens project and requested clarification that project approval would have to be concluded by the end of the calendar year 2003.

Mr. Fortner affirmed that project approval must be concluded by the end of 2003 and stated that the Hope VI program was under attack by the Bush administration and that the Housing Authority in Washington D.C. was being penalized \$1,000 a day for not meeting its development schedule for their Hope VI projects. Mr. Fortner stated that the San Francisco Housing Authority had been successful so far in making arrangements with HUD to revise their development schedules, but HUD was becoming increasingly resistant to change time schedules.

Commissioner Singh recalled that the Executive Director earlier stated that the Agency's role was simply to give money to projects and he opined that the Agency should ensure that monies were being spent properly.

Commissioner Palamountain pointed out that the Mayor's Office of Housing memorandum indicated that a Memorandum of Understanding gave site control to Mission Housing and Development Corporation (MHDC) and asked if that had occurred.

Mr. Carlos Romero of MHDC affirmed that it had site control of Valencia Gardens.

Commissioner Palamountain stated she took to heart Commissioner King's comments, but pointed out that the staff report specified a plan for the use of the site to serve all age groups and that there was a boys and girls club two blocks from the site as well as a senior service center one-half block away, and she felt confident that quality of life concerns would be addressed. Ms. Palamountain asked if the Valencia Gardens Hope VI project had been threatened with penalties from HUD and if the Housing Authority was in good standing with the HUD.

Mr. Fortner stated that the Valencia Gardens project had not been threatened with penalties from HUD and explained that the San Francisco Housing Authority had completed three of its Hope VI projects and there were no concerns expressed by the HUD.

Mr. Carlos Romero informed the Commission the time that was driving the schedule was a deadline at the California Debt Limit Allocation Committee (CDLAC) in January 2004 and MHDC as well as the Mayor's Office of Housing would like to have the entire project financing in line prior to the CDLAC consideration. Mr. Romero addressed Commissioner King's comments about the project and stated that there would be over 13,000 square feet of public amenities, including a 3,383 square-foot child-care center, a 2,300 square-foot outdoor children's play area, a 2,500 square-foot computer learning center, and a 5,300 square-foot multi-purpose community room. In addition, the project had been designed to provide interior space for the public amenities away from the streets. Mr. Romero added that MHDC had met with the residents and the community-at-large for the past two years about the design of the project, including public scoping meetings on the project EIR.

Commissioner Palamountain stated she understood that there were problems with the Housing Authority, but that there was a new management team in place that was addressing the issues. Ms. Palamountain pointed out that the Agency had a limited role in the project and stated her support for the project to move forward.

Commissioner Dunlop stated he agreed with Commissioner King's comments about having public input, but pointed out that in the case of Valencia Gardens, which had a public process, would result in delaying a very important project. Mr. Dunlop stated that the project should move forward to prevent homeless seniors from being homeless for even one more day.

Commissioner Singh stated that projects were always brought before the Commission at the last minute and staff should make the effort to allow the Commission more time for review and consideration.

Commissioner Yee asked when the deadline was for the project before penalties were assessed by HUD, and stated that he was still unclear what the effect of a one or two-week delay would be in order to conduct a workshop.

Mr. Fortner stated he did not know of a deadline for HUD before it assessed penalties and added that HUD had arbitrary authority and discretion, but that the project had not yet been penalized.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. SEXTON, THAT ITEM 4 (f) RESOLUTION NO. 189-2003, AUTHORIZING A TAX INCREMENT LOAN AGREEMENT WITH VALENCIA GARDENS HOUSING LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP, IN AN AMOUNT NOT TO EXCEED \$5,000,000, FOR PREDEVELOPMENT AND CONSTRUCTION OF 52 VERY LOW INCOME FAMILY RENTAL UNITS AT 340-370 VALENCIA STREET; AGENCY CITYWIDE AFFORDABLE HOUSING PROGRAM, BE ADOPTED AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop
Mr. King
Ms. Palamountain
Ms. Sexton
Mr. Singh
Mr. Yee
Mr. Romero

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SEVEN (7) AYES.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED AND RESOLUTION NO. 189-2003 WAS APPROVED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 190-2003, APPROVING THE REPLACEMENT HOUSING PLAN FOR VALENCIA GARDENS, A 246-UNIT PUBLIC HOUSING DEVELOPMENT AT 340-370 VALENCIA STREET IN THE MISSION DISTRICT SECTION OF SAN FRANCISCO; AGENCY CITYWIDE AFFORDABLE HOUSING PROGRAM, BE ADOPTED.

- 4 (h)** Resolution No. 191-2003, Authorizing a Personal Services Contract with Treadwell & Rollo, Inc., a California corporation, in an amount not to exceed \$360,000 and a term not to exceed three years for environmental review services in furtherance of the transfer of property from the United States Navy to the Agency at Hunters Point Shipyard; Hunters Point Shipyard Redevelopment Project Area

Presenters: Don Capobres (Agency staff)

Commissioner Dunlop asked if there had been a hazardous materials report issued yet.

Mr. Don Capobres, Senior Project Manager, stated that typically, the Navy would issue a report on a specific toxics issue and following staff review, the Navy would issue a letter report, which would then be reviewed by the Agency's consultant, Treadwell and Rollo. Mr. Capobres stated that an overall toxics report had not been published, but numerous individual reports had been prepared and completed.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED (MR. SIINGH ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 191-2003, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH TREADWELL & ROLLO, INC., A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$360,000 AND A TERM NOT TO EXCEED THREE YEARS FOR ENVIRONMENTAL REVIEW SERVICES IN FURTHERANCE OF THE TRANSFER OF PROPERTY FROM THE UNITED STATES NAVY TO THE AGENCY AT HUNTERS POINT SHIPYARD; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (i)** Resolution No. 192-2003, Authorizing a Predevelopment Grant Agreement with the Museum of the African Diaspora, a California nonprofit public benefit corporation, in an amount not to exceed \$44,500 to fund predevelopment activities associated with the construction of tenant improvements for its new museum located on the south side of Mission Street between New Montgomery and Third Streets (a portion of Parcel EB-2A); Yerba Buena Center Redevelopment Project Area

Presenters: Judy Eng (Agency staff)

Speakers: Belva Davis, Doris Vincent

President Romero stated that it was good to see Ms. Belva Davis involved in the project.

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MR. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (i) RESOLUTION NO. 192-2003, AUTHORIZING A PREDEVELOPMENT GRANT AGREEMENT WITH THE MUSEUM OF THE AFRICAN DIASPORA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$44,500 TO FUND PREDEVELOPMENT ACTIVITIES ASSOCIATED WITH THE CONSTRUCTION OF TENANT IMPROVEMENTS FOR ITS NEW MUSEUM LOCATED ON THE SOUTH SIDE OF MISSION STREET BETWEEN NEW MONTGOMERY AND THIRD STREETS (A PORTION OF PARCEL EB-2A); YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (j) Workshop on the proposed South of Market Redevelopment Plan Amendment; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: William Carney (Agency staff)

Speakers: Antoinetta Stadlman, Wilma Parker, Chris Powell, Charles Range

Commissioner Yee commended members of the South of Market Project Area Committee (PAC) for their hard work on the plan amendment and that he appreciated their efforts. Mr. Yee asked staff to address the issues raised during public testimony. Mr. Yee inquired about the formation and composition of the Project Area Committee (PAC) and asked how often was PAC elections held and if the public was informed of vacancies. Mr. Yee asked who established the membership categories of the PAC and could the composition be changed.

Mr. William Carney, Senior Project Manager, stated that the South of Market PAC was elected in 1997 and would continue to serve until 2010. As vacancies occurred within the various membership categories, the PAC filled positions with notification to all residents and business, including property owners in the project area. Mr. Carney stated that the Board of Supervisors established the composition of the PAC and it would take an action by the Board of Supervisors to modify the composition.

Commissioner Yee stated he did not know when the Agency had used eminent domain before, but recalled that it may have been used for the former Greyhound Bus depot for the Federal Office Building project.

Mr. James Morales, Agency General Counsel, stated that eminent domain proceedings were initiated for the former Greyhound Bus depot, but was not pursued, as the parties were able to negotiate the transaction.

Commissioner Yee asked how long was the plan adoption process and how can outreach to the community be improved because as the Commission heard from the public, not all of the community was aware of the proposed plan amendment. Mr. Yee requested staff to prepare an outreach plan in order to better serve the community by notifying all affected property owners.

Mr. Carney stated that the plan adoption process would take about two months from Commission action. Mr. Carney informed the Commission that the PAC published a newsletter that was mailed to all residents, property owners, businesses and community based organizations within the project area. In addition, regular community meetings were held to explain the details of the proposed plan amendment. Mr. Carney stated that staff would report back on the outreach efforts.

Commissioner Dunlop thanked the public and the hard-working members of the PAC for coming to the workshop. Mr. Dunlop stated that it was important for the Commission to hear all of the concerns from the community and it was unfortunate that there were not a lot of people in attendance at the workshop. Mr. Dunlop stated he was aware that language in the plan amendment giving preference to local community developers had been taken out, but he would like to see some preference given to local community developers because it was important to keep the enormous public investment within the project area. Mr. Dunlop stated he would like to have further discussion about the matter and would attend the next PAC meeting to hear from the community.

Commissioner Singh welcomed property owners from South of Market to the meeting and stated he was also concerned with the lack of notification of the property owners about the proposed plan amendment. Mr. Singh stated that the newsletter should be published more than just quarterly in order to keep the community aware of the Agency's work. Mr. Singh stated there should be more property owners represented on the PAC and that the tenure of PAC members to the year 2010 was too long, because even elected officials had term limits. Mr. Singh stated he was very much against the use of eminent domain especially for small property and business owners.

Commissioner Singh stated he wanted to mention his concerns about items placed on the consent agenda, in particular items that sought time extensions and stated there should be penalties assessed for not meeting performance schedules on projects.

Commissioner Sexton thanked Mr. William Carney and Agency staff that had worked very hard on the plan amendment. Ms. Sexton stated she shared the same concerns with the outreach efforts, but believed that staff had done its best to notify everyone in the project area and that sometimes, it was not always possible to reach everyone. Ms. Sexton commended staff's outreach efforts and urged them to continue their diligence.

President Romero thanked the public for coming to the workshop and stated that even though there was a light turnout at the Commission meeting, he knew that PAC meetings were well attended. Mr. Romero commended members of the PAC for working many hours on the plan amendment and urged members of the community and the public to watch out for scheduled meetings on the plan adoption scheduled in April 2004. Mr. Romero stated that the PAC had been responsive to concerns raised by the community.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Mary Helen Rogers, Charles Range

7. **REPORT OF THE PRESIDENT**

- President Romero thanked outgoing President Michelle W. Sexton for her leadership during the past year and a half and stated that Commission meetings went smoothly under her stewardship.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Executive Director Rosen acknowledged outgoing President Sexton's dedicated service and thanked her for her leadership and welcomed the new officers of the Commission.
- Announced the Affordable Housing Celebration that began at 6:00 p.m. in the Green Room of the Veterans building. This event was to celebrate the affordable housing accomplishments of the City during Mayor Brown's tenure.
- Delta Hotel ribbon cutting on January 17th, 11:00 a.m. to 1:00 p.m. at 88 Sixth Street.

- Dudley Hotel reopening and Plaza Hotel groundbreaking on January 18th, 10:00 a.m. at 172 Sixth Street.
- Tree lot on Fillmore (Parcel 732-A at Fillmore and Eddy Streets), open from 9:00 a.m. to 9:00 p.m. through December 24th – sales to benefit the Beacon Center at Benjamin Franklin School.
- Executive Director Rosen wished the Commission and the public happy holidays and wished Commissioner King healing and rejuvenation and a quick recovery during the holiday season. Ms. Rosen also wished everyone a happy new year.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Singh put forth a motion to continue the scheduled closed session item so that the Commission could attend the Affordable Housing Celebration. Commissioner Palamountain seconded the motion.
- Commissioner Dunlop asked if there was any time constraint with the closed session item.

Executive Director Rosen responded that there was no time constraint with the closed session item.

MOTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT CLOSED SESSION ITEM 10 (a) PURSUANT TO GOVERNMENT CODE § 54956.9(B): CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION: ONE POTENTIAL CASE, BE CONTINUED TO THE NEXT MEETING OF THE COMMISSION.

- Commissioner Sexton thanked the Commissioners for their kind words and wished everyone Happy Holidays.
- Commissioner Singh asked that everyone give Commissioner Sexton a standing ovation for her service as Commission President. Everyone stood up and applauded Commissioner Sexton.

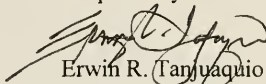
10. CLOSED SESSION:

- (a) Pursuant to Government Code § 54956.9(b): Conference with Legal Counsel regarding anticipated litigation: one potential case.

11. ADJOURNMENT

It was moved by Ms. Sexton, seconded by Ms. Palamountain, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:35 p.m.

Respectfully submitted,



Erwin R. Tanguaquo
Agency Secretary

APPROVED:

January 20, 2004



